

# DAILY REPORT

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*China*

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ZHAO SENDS 'NAMIBIA DAY' MESSAGE TO UN OFFICIAL

HK280754 Beijing RENMIN RIBAO in Chinese 26 Aug 84 p 1

[Report: "Text of Zhao Ziyang's Message of Greeting to President of the UN Council for Namibia on the Occasion of 'Namibia Day'"]

[Text] Zhao Ziyang, premier of the State Council, sent a message to Paul Lusaka, president of the UN Council for Namibia, on 26 August, expressing support for the Namibian people in their just struggle for independence. The full text of the message is as follows:

New York

President of the UN Council for Namibia Mr Paul Lusaka,

On the occasion of marking "Namibia Day," I, on behalf of the Chinese Government and in my personal capacity, would like to extend warm congratulations and support to you and the Council for Namibia.

Under your personal guidance, the UN Council for Namibia has, over the years, made unremitting efforts to support the Namibian people's just struggle for independence and to seek an early implementation of the relevant UN resolutions on Namibia, thus winning universal acclaim from the international community.

The Chinese Government and people have always firmly supported the Namibian people in their struggle for national independence and the South African people in their struggle against apartheid and for racial equality, and have always strongly condemned the South African authorities for their illegal occupation of Namibia and continued dilatory tactics aimed at obstructing the early realization of Namibia's independence. We maintain that the relevant resolutions on Namibia adopted by the UN Security Council should be implemented speedily and that the South African authorities' illegal occupation of Namibia should end at an early date. We are convinced that under the leadership of the South West African People's Organization and with the support of the African frontline states and all the justice-upholding countries and peoples, the Namibian people will attain their noble goal of national independence through their united struggle.

Zhao Ziyang, premier of the State Council of the People's Republic of China

26 August 1984, Beijing

INTERNATIONAL COMPUTER MEETING OPENS IN BEIJING

OW282024 Beijing XINHUA in English 1504 GMT 28 Aug 84

[Text] Beijing, August 28 (XINHUA) -- An international conference on engineering and computer graphics opened today here. The five-day conference, attended by 174 experts from 12 countries and regions, is being co-sponsored by the China Engineering Graphics Society and the Engineering Design Graphics Division of the American Society for Engineering Education.

Participants will discuss the results of recent research into engineering and computer graphics, and will consider future development. A number of papers relating to the application of graphics in astronomy, civil engineering, machine building, shipbuilding, electronics, light industry, oil prospecting, medicine and art will be submitted this week.

GUOJI WENTI YANJIU ON PROSPECTS FOR U.S. LIBERALS

HK170323 Beijing GUOJI WENTI YANJIU in Chinese No 3 13 Jul 84 pp 8-11

[Article by Pan Tongwen: "American Liberals and Evolution of Their Policy Thinking"]

[Text] The ideological trend of liberalism controlled the U.S. political arena for nearly half a century. In 1980 the conservative Reagan won the presidential election with an overwhelming majority, while a large number of renowned liberal congressmen lost in the election, signalling an obvious decline in the ideological trend of liberalism. In recent years the liberals have been summing up lessons and readjusting policies to adjust to the new situation. However, they have so far failed to put forth a systematic program that will prevail against the conservatives and be attractive to monopoly capitalists. Therefore, despite the fact that the liberals are rallying their forces, it will be difficult for them to regain their dominant position for the time being.

I

Western liberalism first came into being in the early 19th century. It is a bourgeois reformist ideological trend whose basic aim is the pursuit of "maximum" personal freedom "without restrictions." At first, liberalism advocated free competition and trade, stressing the decentralization of government authority while opposing state intervention, which at that time was aimed at breaking the bondage of feudal autocracy. This form of liberalism is known as "traditional liberalism." With development from the capitalist to the monopoly capitalist stage and the appearance of big business by the turn of the century, liberalism found that what was impairing personal freedom was not the intervention of the state but big business. Thus liberalism changed its stand, advocating that the state should control big business and make laws to safeguard personal freedom and rights, while shifting the focus from freedom to social guarantees (however, the basic stand of liberalism on the pursuit of extreme personal freedom remains unchanged), and this is known as "modern liberalism." In essence, liberalism attempts to use state monopoly capitalism to tide over the U.S. economic crisis which has been growing ever more serious. Liberalism in West European countries and the United States has on the whole undergone this change. Therefore, U.S. liberals today are generally in favor of expanding the power and role of the federal government. In economics, they believe in Keynesianism, advocating that the government should intervene more in economic life, stimulating the economy and reducing unemployment through expanding government expenditures. In social policy they support equality of the sexes, oppose racial discrimination, and support certain laborers' interests, while advocating the reduction of domestic class struggle through expanding social welfare. These are precisely the differences between the liberals and conservatives.

Although liberalism had long existed in the United States, it was not until the 1930's that it first found expression in government policies in Roosevelt's "New Deal." Since then the "New Deal" has become the chief symbol of U.S. liberalism. In the late 1920's and early 1930's an unprecedentedly grave economic crisis broke out in the United States. When Roosevelt came to power he actively used the power of the federal government to intervene in the economy to save the capitalist system. On the one hand, he increased the federal budget in order to build various public projects and increase employment; on the other, he began to adopt some welfare measures, trying to maintain a minimum living standard for the old, weak, sick and disabled, and poor. At the same time, a series of laws were passed to ensure labor rights and social security, so as to mediate class contradictions.

Implementation of the "New Deal" temporarily relaxed the grave economic and social crises. When these reformist measures won in various degrees the support of labor, minorities such as the blacks, the old, and people of the lower strata, the so-called "New Deal alliance" took shape. Since the Civil War the Republican Party had basically monopolized the presidency, and the Republican Party was known as the "normal majority party." The appearance of the "New Deal alliance" made the Democratic Party the "natural majority party," and the Democrats basically dominated the government and congress between the 1930's and the 1970's. American blacks had long supported the Republican Party because Abraham Lincoln advocated the abolition of black slavery; but blacks later changed their stand to support the Democratic Party because of the "New Deal". To this day they remain staunch supporters of the Democratic Party.

The several U.S. Administrations after Roosevelt followed in the footsteps of the "New Deal." Its spirit ran through the "Fair Deal" of Truman, the "New Frontier" of John F. Kennedy, and the "Great Society" of Lyndon Johnson. The administrative program of the "Great Society" even developed the "New Deal." During the Johnson administration a more active civil rights bill was drawn up and "quotas" were established for the education and employment of blacks and women, on the basis of the so-called principle of "equality in result". At the same time, the sphere of social security and various subsidies was expanded. For instance, food coupons were issued to the poor, loans and scholarships were granted to college students, transport subsidies were extended to urban citizens, medical subsidies were given to the poor, medicare was provided for all old people over the age of 65, and so on. All this was initiated during this period.

All the programs and laws of the "Great Society" were drawn up in the name of "equality and "benevolence." Therefore, the several administrations after Johnson did not dare deviate from the orientation of the "Great Society". Even the Nixon administration, which had a conservative tinge, was no exception. During his first presidency, Nixon actually expanded some of the welfare programs. As a result, there were more and more welfare programs, and the welfare expenditures of the federal government grew ever greater. By 1980, 36 million people were living on social security in the United States, 22 million people were receiving medical subsidies, more than 26 million people were enjoying medicare, 18 million people were receiving food coupons, more than 11 million people were benefited by general welfare, and more than 15 million people were receiving veteran-related subsidies. Over half of the country was entirely or partly relying on aid from the federal government for a living. The 1980 expenditure of the federal government on its social programs was close to \$300 billion (which was 23 times the \$12 billion of 1950). Welfare expenditures together with the interest on national bonds and other necessary expenditure, accounted for 75 percent of the federal budget, which became an "uncontrollable" item in that budget. This situation grew so grave that when Carter came into office he could hardly continue with it. Therefore, before his departure from the White House, Carter appealed to the Congress to change the situation.

### III

The heyday of U.S. liberalism was the 1960's. But since the 1970's, liberalism has gradually declined and the Democratic Party, with the liberals as its mainstay, has been in a relatively unfavorable position in politics. This has found obvious expression in several presidential elections. In the 1972 general election, George McGovern, a representative of the liberals and the Democratic presidential candidate, suffered a disastrous defeat at the hands of the Republican conservative Nixon.

In 1980, not only did Reagan defeat Carter with an overwhelming majority in the presidential election, but the Republicans also won great victories in the elections of state legislatures, and governors; and the Republicans regained control of the Senate, which they had lost 25 years before. In the 1976 election Carter defeated Gerald Ford with a slender majority, chiefly due to repercussions from the "Watergate affair," but this did not prove that liberalism had won the support of the majority of the capitalists.

The liberals' loss of influence has economic, social, and many other causes:

1. The domestic economic foundation produced and developed by the liberals has undergone changes. Between the 1940's and the 1960's, the United States was in a period of economic growth and the monopoly capitalists accumulated huge profits. During this period, the United States had solid national strength and could afford to spend more money on welfare to benefit all sides, so as to make its rule easier. In the 1970's the U.S. economy entered a period of "stagnation," while facing intense competition abroad. Its national strength has been declining, and the government can hardly carry the burden of ever-expanding expenditures on welfare.
2. The liberals can hardly continue their economic policies. Based on Keynesianism, the liberals have all along pursued the economic principle of expanding government expenditures and stimulating demand artificially, which eventually ended in "stagflation." In particular, during the Johnson administration, while welfare at home was expanded the Vietnam war was carried on in full swing. Excessive expenditure put the government heavily in debt and aggravated inflation. In 1980 the inflation rate climbed as high as 12.4 percent, bringing about grave resentment, which became one of the important reasons for Carter's election defeat the same year. According to a poll, 47 percent of the voters supporting Reagan in the presidential election did so simply because of their resentment against the high inflation.
3. The mass foundation of the "New Deal alliance" has undergone changes and weakened. After the continued implementation of liberal policies over successive years, most of the targets of the "New Deal" were fulfilled in the 1970's. The wages and welfare of blue-collar workers in many industrial departments have been raised considerably, coming close to or attaining an average level of income. They are no longer concerned about "social justice" for others, but think more about changes in property taxes and loan interest rates which concern their own interests. According to an investigation in 1980, half of union members were opposed to increased government welfare expenditures for those in the low income bracket. The masses of other strata in the "New Deal alliance" have notably lost their enthusiasm for the liberals because the programs of the "Great Society" have not been completely fulfilled. New York State had for many years been a bulwark of the liberals; however, affected by high taxes and high inflation during the period the liberals were in power, New York, out of three elections since 1972, has twice voted Republican.

In addition, with increasing Soviet external expansionism in the 1970's and the relative decline of U.S. status in hegemonism, the U.S. ruling class and public opinion demanded an increase in military expenditures and a harder line against the Soviet Union. Arms control and detente advocacy failed to win the support of the majority. Southern whites and conservatives of the two parties are growing ever more vigorous in their opposition to measures showing concern for blacks. The laissez-faire attitude of the liberals concerning social problems such as crime, drug addiction, and marriage and the family has given rise to resentment in public opinion. All these are contributing factors in the decline of the liberals.

In short, the economic and social foundation on which the liberals depended has been shaken, and changes unfavorable to the liberals have taken place at home and abroad, while some of the policies and propositions of the liberals have met with increasing opposition from people of the middle and upper capitalist strata. Under such circumstances the liberals, dominant for many years, have given way to the conservatives.

## IV

The crushing 1980 Democratic defeat was a heavy blow to the liberals. Under the blow some liberals, such as Senator Kennedy, still bear constantly in mind the "New Deal," saying that they "will never give up the ideal of realizing a just society in the United States"; others blindly pin their hope on the failure of Reagan's policy for the revival of the liberals; still others have come to understand from this grave political setback that, having prevailed for a few decades, liberalism has "lost its impetus," is "lacking in vitality," and is "deviating from reality" and it is necessary to examine the basic propositions and principles of liberalism, in order to begin an "ideological renaissance." It is precisely against this background that the "new liberals" have made their appearance.

The "new liberals" are mainly younger Democrats who demand reform. Their chief representatives are Senator Hart, who is a Democratic presidential candidate, Senators Tsongas and Biden, West Virginia Governor Jay Rockefeller, Arizona Governor Bruce Babbitt, and so on. The basic difference between "new liberals" and traditional liberals lies in the fact that the former advocate the abandonment of the old prescriptions of the "New Deal" and call for "adopting a new stand based on today's realities." The difference in specific policies finds expression in economic and military issues.

Economically, the "new liberals" oppose continued efforts to "redistribute income" and expand federal government expenditures to solve all problems. They stress that efforts should be made to develop the economy and increase national income. Therefore, they favor cutting taxes and relaxing control over business rules and regulations. They advocate that the government should give financial aid to the development of high-technology industries and the renovation of declining basic industries. They hold that while strengthening research on technology and the retraining of workers, government, business, and labor should sign an "accord on industrial modernization" and set up Japanese-style cooperation between government, business, and labor. This should be done in order to improve labor productivity and competitiveness, and to replace Reagan's policy based on supply-side economics.

In military affairs the "new liberals" criticise traditional liberals for attaching no importance to armaments and advocate increased military expenditures. (However, they oppose excessive increases). They demand the maintenance of a military balance on the whole with the Soviet Union. In weaponry they would adopt economical but efficient weapons. They oppose the production of B-1 bombers, MX guided missiles and large nuclear-powered aircraft carriers, and focus on the development of conventional armaments and the Navy.

In addition, the "new liberals" play down the importance of social problems. They call for axing some welfare programs so as to achieve a balanced budget, which is somewhat different from the traditional liberals. There is no essential difference in foreign policy between the "new liberals" and the traditional liberals; both stress talks with the Soviet Union and oppose armed intervention by the Reagan administration in Central America and the Middle East; both favor developing relations with our country but oppose "deserting" Taiwan.

The "new liberals" at present still constitute only a minority of Democrats. Their policies and propositions have not yet been adopted by the Democratic Party, but their influence is growing. In the recent Democratic primaries, Hart won unexpected support, which shows that the propositions of the "new liberals" have won the support of a considerable number of people inside the Democratic Party -- in particular, the young and the intellectuals. Doubtless, the propositions of the "new liberals" will have a certain influence on the evolution of Democratic policies.

Nevertheless, compared with Republican conservatives, the "new liberals" have not proposed any particularly new ideas. The "new liberals" stress developing the economy and strengthening armaments; these points are exactly what Republican conservatives have always stressed. Therefore, the conservatives hold that the "new liberals" have not proposed any ideas which can "take the place" of Reagan's policies but "are following the example of their opponents" in an attempt "to find a place in the current trend." As to the tentative ideas proposed by the "new liberals," such as development of high-technology industries, renovation of declining basic industries with government financial aid, and establishment of a Japanese-style cooperation between the government, business, and labor, their feasibility is doubtful. This is because the development of high-technology industries and the renovation of declining basic industries with government financial aid involves direct conflicts of interest between different regions, between vested interest blocs, and even between financial blocs. This would be an extremely complicated and arduous task, including tremendous political risks. No factions of a political party in power, and no political party, would take the risk of doing so on its own. As to setting up Japanese-style cooperation between government, business, and labor, there has long been heated argument in U.S. political and academic circles concerning this idea. Many people hold that it "does not fall in with the tradition of the United States" and is "not feasible" because it is "unthinkable" to set up the kind of harmonious cooperation between the government, business, and labor, which is the hope of the "new liberals," in a country like the United States, which has all along stressed "free enterprise."

## V

Boosting the economy and safeguarding its hegemonic position in the world are the two major issues with which the U.S. ruling class is most concerned. The political future of both liberals and conservatives depends to a large degree on whether they are able to propose and implement policies and propositions on these two major issues, which fall in with the needs of the monopoly capitalist class. In the 3 years and more since Reagan came into office, while strengthening armaments in a big way he has pursued a set of conservative economic policies for simultaneously cutting taxes, reducing expenditure, and tightening money resources, with the first measure as the core. Reagan's policies have somewhat improved the U.S. hegemonic position, which was once on the decline, and inflation has been greatly relaxed compared with the Carter administration. However, the United States' financial deficits are unprecedentedly high, its interest rates are still rather high, and its decrease in unemployment is limited. Therefore, it is hard to say how long the trend of economic growth will last. Reagan's conservative policy cannot get the U.S. economy thoroughly out of the difficulties of "stagflation." However, in view of the fact that liberal policies brought about economic stagnation in the United States and the decline of the U.S. hegemonic position, and because the liberals have so far failed to propose any new and effective policies, the U.S. monopoly capitalist class still pin their hopes on Reagan's policies and their long-term effects.

According to an investigation made by BUSINESS WEEK in August 1983, among the senior executives of 1,200 big corporations, the overwhelming majority held that during Reagan's second presidency the U.S. economy will recover healthily, there will not be any drastic rise in inflation, and the role of U.S. business competition with Japan and Western Europe will also be strengthened. Obviously, the U.S. monopoly capitalist class will tend to allow the conservatives, with Reagan as their representative, to continue to hold office. Therefore, the possibility of the liberals regaining their dominant position seems comparatively small.

It should also be pointed out, however, that Reagan's policies of insisting on contending with the Soviet Union for world hegemony, increasing military expenditures on a large scale, and continuously axing welfare have not won the support of all people in the United States. In particular, people of the middle and lower strata basically oppose them. Besides, the influences of liberalism, formed over many years, are still there. A recent poll has shown that the desire for federal social programs is on the decline; however, "it has certainly not disappeared." All this signifies that from a comparatively longterm point of view, it is not impossible for liberalism to come back into the U.S. political arena. But, of course, the key lies in whether the liberals are able to sum up their lessons, and to propose a program and proposals which will win the support of the majority of U.S. voters.

#### FIRST U.S. TRADING VOYAGE TO CHINA COMMEMORATED

OW282048 Beijing XINHUA in English 1454 GMT 28 Aug 84

[Text] Beijing, August 28 (XINHUA) --- The Chinese People's Association for Friendship With Foreign Countries held a tea party here today to mark the bicentennial of the first voyage to China by an American trading ship.

"This historic voyage opened up trade relations between China and the United States and promoted contacts and exchanges between the peoples of our two countries," Premier Zhao Ziyang said in a message read at the gathering. "Today, the Chinese and American peoples are carrying on their friendly exchanges under new circumstances. It is my hope that such exchanges will benefit our two peoples and be conducive to world peace," Zhao said.

The ship, the Empress of China, left New York Harbor on February 22, 1784. It arrived in China on August 28, initiating the first commercial contacts between China and the United States.

Rong Yiren, vice-chairman of the Standing Committee of the Chinese National People's Congress, was among the 130 people attending the tea party. Speakers included Wang Bingnan, president of the Chinese amity association, and American Ambassador to China Arthur W. Hummel. Diplomats of the American Embassy in China and American students and experts in Beijing also attended.

RENMIN RIBAO ON U.S. SUPPORT OF ISRAEL

HK281132 Beijing RENMIN RIBAO in Chinese 28 Aug 84 p 6

[*"International Jottings"* by Han Long: "Why Washington Has a Fever"]

[Text] Israel is the pet of the United States. Some people say that Washington "gets the flu" as soon as Tel Aviv "catches a cold."

We are not sure whether Tel Aviv has caught a "cold" recently, but Washington has had a "fever" these days. First, the U.S. ambassador to the United Nations stepped forward to complain of unfairness against Israel, saying that "Israel has often been treated particularly unfairly in the United Nations." Then, an adviser to the President also "presented his views vehemently," claiming that the United States will withdraw "side-by-side with Isreal" from the United Nations if this world organization takes real action to expel Israel.

Located at the junction of Asia, Africa, and Europe, Israel occupies a very important strategic position. While the Soviet Union is close to the Middle East, the United States is too far away from the region to keep it under control. For this reason, the United States has long depended on Israel in its attempt to intervene in the Middle East and regards the latter as an unsinkable "aircraft carrier" in the region. In the past 30 years or more the United States has particularly supported Israel and has shown utmost solicitude toward this country. It is estimated that U.S. aid to Israel in recent years amounts to more than \$2 billion a year.

There is another obvious reason why the Washington authorities have recently shown extraordinarily high "enthusiasm" for Israel. As everyone knows, the Republican and Democratic Parties in the United States are now vigorously contesting the presidency. The United States has more than 6 million citizens of Jewish extraction whose influence is not to be ignored in the political, economic, and cultural fields of the United States. In order to win support of this segment of the population and thus obtain more votes, the presidential candidates deem it necessary to declare their stands on the Israeli issue.

For the past 30 years and more the United States has placed itself in opposition to the 100 million or more Arab people by supporting Israel in the latter's attempt to carry out an aggressive and expansionist policy. Now, through its political program and the statements made by some senior officials of the Reagan administration, the Republican Party has declared that it would rather stand by Israel at the cost of offending the vast number of member states of the United Nations. The Republicans think themselves clever in so doing. But actually their act will only place them in a more awkward predicament.

YAN JICI MEETS U.S. PHYSICS PROFESSOR

OW280725 Beijing XINHUA in English 0712 GMT 28 Aug 84

[Text] Beijing, August 28 (XINHUA) -- Vice-Chairman Yan Jici of the National People's Congress Standing Committee had a cordial conversation about teaching and scientific research here today with Professor Luke W. Mo of the Department of Physics of Virginia Polytechnic Institute and State University and his wife Doris Mo. The Mos arrived August 11 on a lecture tour at the invitation of the Chinese Academy of Sciences.

JAPAN'S ABE ON 'COOL' RELATIONS WITH USSR

OW281956 Beijing XINHUA in English 1626 GMT 28 Aug 84

[Text] Tokyo, August 28 (XINHUA) -- Improvement of Japanese Soviet relations must be preceded by the settlement of the northern territories issue, declared Japanese Foreign Minister Shintaro Abe here today.

Speaking at a luncheon for Japanese newsmen, Abe admitted that relations between Japan and the Soviet Union had remained very cool since the Soviet downing of a South Korean airliner last year.

The northern territories are four small islands under Soviet occupation since World War Two but claimed by Japan.

While reaffirming the Japanese Government position of never making concessions on the issue, Abe said that Japan would not ignore the coolness of Japanese-Soviet relations, whose improvement would be of great significance globally in Asia.

Abe told newsmen that if Soviet Foreign Minister Andrey Gromyko attended this fall's United Nations General Assembly he would like to confer with him in detail on the issue.

Citing the friendly ties between Japan and China, Abe said this indicated without doubt that countries with different social systems could establish good relations.

LI PENG TO DEPART ON 12-DAY TOUR OF JAPAN

OW290721 Beijing XINHUA in English 0651 GMT 29 Aug 84

[Text] Beijing, August 29 (XINHUA) -- Chinese Vice Premier Li Peng leaves here tomorrow for a 12-day visit to Japan. He has been invited by the Japanese Foreign Ministry and the Japan Association for the Promotion of International Trade.

During his stay in Japan, Li is expected to take part in celebrations marking the 30th anniversary of the founding of the Japan Association for the Promotion of International Trade, the Japan-China Economic Trade Center and the Kyoto general bureau of the Japan Association for the Promotion of International Trade.

He will meet Prime Minister Yasuhiro Nakasone, Foreign Minister Shintaro Abe, other ministers and leading members of economic and trade organizations to exchange views on further development of Sino-Japanese friendship and bilateral economic and technical cooperation. He will also deliver a speeches in Tokyo and Osaka on the expansion of Sino-Japanese cooperation, and hold talks with economists and industrialists. After Tokyo, he will visit Hokkaido, Osaka, Kyoto and Kobe.

It is believed that his visit will help increase friendly cooperation and economic and technical exchanges between China and Japan and promote the two countries' development.

Accompanying Li on the visit will be Wang Yaoting, chairman of the China Council for the Promotion of International Trade, and leading members of the State Planning Commission, the Ministries of Machine-Building Industry, Water Resources and Electric Power, and Foreign Relations and Trade.

DPRK SENDS MESSAGE TO SEOUL ON SPORTS TALKS

OW271906 Beijing XINHUA in English 1622 GMT 27 Aug 84

[Text] Pyongyang, August 27 (XINHUA) -- The Korean Olympic Committee Chairman Kim Yu-sun today demanded the South Korean side apologize for the failure to form a joint team to compete in the Los Angeles Olympic Games and guarantee that no political provocations would be made again in the North-South sports talks. In a letter sent to his South Korean counterpart Chong Chu-yong, Kim Yu-sun noted that these demands reflect Korea's sincere stand to make the future talks proceed faithfully and fruitfully. "The attitude of the South Korean side to these demands will become a matter of extreme importance for judging whether the South Korean side wishes to make the talks successful and form single team."

The demands were raised in a letter written by Kim Yu-sun to his counterpart on June 1. However, in the reply on August 17, the South Korean side did not answer the question but proposed to hold the fourth North-South sports talks on August 30.

Kim Yu-sun's letter said to evade these demands by the South Korean side is causing a deep concern among the people who wish to make progress in the talks. "The most urgent question for the South Korean side is to clearly clarify its basic stand towards the talks." The letter said Korea hopes to resume the sports talks as soon as possible and the stand of forming a united team has never been changed. It was reported that the letter was (?delivered) by two Korean liaison [as received] and was handed to the South Korean side in Panmunjom.

REUNIFICATION GROUP HITS S. KOREA 'SUPPRESSION'

OW281234 Beijing XINHUA in English 1143 GMT 28 Aug 84

[Text] Pyongyang, August 28 (XINHUA) -- Korea's Committee for the Peaceful Reunification of the Fatherland denounced South Korean authorities for the punishment of a large number of young students.

The local press, quoting a press communique issued by the committee on August 26, said today that before the fall semester begins, about 10,000 college students in Seoul were punished by school authorities on the pretext of their "poor grades." Some of them have been expelled from school. Some students in other parts of South Korea were also punished for the same reason. The press communique pointed out that the move is aimed at suppressing the students' patriotic struggle and constitutes an unbearable provocation against all progressive students.

The committee demanded that South Korean authorities immediately stop their suppression of the students and unconditionally readmit the expelled students to school.

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PRC INTERNATIONAL AFFAIRS  
SOUTHEAST ASIA & PACIFIC

E 1

XINHUA REPORTS DENG PUFANG ARRIVAL IN HONG KONG

HK290958 Beijing XINHUA Hong Kong Service on Chinese 1526 GMT 28 Aug 84

[Text] Hong Kong, 28 Aug (XINHUA) -- Deng Pufang [6772 2613 2455], deputy director of the China Welfare Fund for the Handicapped, and his party arrived in Hong Kong by plane at noon today. Welcoming them at the airport were Li Chuwen and Qi Feng, deputy directors of the Hong Kong branch of the XINHUA NEWS AGENCY, and Dr Harry Fang, chairman of the Hong Kong Joint Council for the Physically and Mentally Disabled, and Mrs Fang.

Deng Pufang and his party came to Hong Kong for a 18-day visit at the invitation of the Hong Kong Joint Council for the Physically and Mentally Disabled and the China Resources (Holdings) Co Ltd.

HONG KONG CIVIL SERVANTS MAY SERVE AFTER 1997

OW281542 Beijing XINHUA in English 1439 GMT 28 Aug 84

[Text] Beijing, August 28 (XINHUA) -- The Hong Kong civil servants will continue to serve in their posts after China recovers sovereignty over the area in 1997, State Councillor Ji Pengfei said here today.

On a meeting with a group of Hong Kong civil servants led by Anthony Luk Tung-Ching, chairman of the Hong Kong Civil Servants General Union, Ji said that civil servants there will also continue to receive their benefits and retirement pensions, he added.

There are some 170,000 civil servants in Hong Kong.

MACAO'S FOREIGN TRADE UP IN FIRST HALF 1984

OW280959 Beijing XINHUA in English 0656 GMT 28 Aug 84

[Text] Hong Kong, August 28 (XINHUA) -- Macao's foreign trade, excluding re-exports, was valued at 6,696 million patacas (Macao dollars), or about 837 million U.S. dollars, in the first half of this year, according to Macao newspaper reports.

This was 1,658 million patacas, (about 207 million U.S. dollars) or 32.91 percent more than in the same period of last year, when the territory's foreign trade registered a deficit. Macao had a trade surplus of nearly 200 million patacas (about 25 million U.S. dollars) in the first half of this year.

The Chinese mainland, Hong Kong and Japan are Macao's major trading partners. Between January and June 1984 the value of goods imported from the Chinese mainland increased by 36 percent, while those from Hong Kong and Japan increased in value by 28 percent and 26 percent, respectively.

Besides these trading partners, Macao exports its goods to the United States, Federal Germany, France and Britain.

SPOKESMEN REFUTE REPORT ON PRC TROOPS IN PAKISTAN

## PRC Foreign Ministry

OW290759 Beijing XINHUA in English 0747 GMT 29 Aug 84

["Chinese Foreign Ministry Spokesman Refutes Indian Report" -- XINHUA headline]

[Text] Beijing, August 29 (XINHUA) -- A Chinese Foreign Ministry spokesman here today brushed aside the Indian report on Chinese troops' entry in Hunza area as "pure fabrication with ulterior motives."

The spokesman said at a weekly news briefing this afternoon that some journalists asked about China's comment on a signed report carried by the Indian newspaper THE TRIBUNE that three companies of Chinese troops have entered Hunza area and set up barracks in Baltit, Altit, Ghumessara and Ghulmit and that it occurred after Pakistan consented recently to the establishment of military bases in Gilgit and Karachi by China.

He said: "The report is a pure fabrication with ulterior motives."

The spokesman also said that the Chinese Government "condemns the Afghan authorities for their latest criminal act of air raid and shelling of Pakistan border villages and firmly supports the solemn stand expressed in the statement of the Pakistan Government."

## Pakistan Foreign Ministry

OW281520 Beijing XINHUA in English 1507 GMT 28 Aug 84

[Text] Islamabad, August 28 (XINHUA) -- A Pakistan Foreign Ministry spokesman denied an Indian press report last night that Chinese troops had set up camps in several isolated mountainous parts of northern Pakistan, according an APP report today.

"It is totally absurd without an iota of truth," the spokesman told pressmen here when asked about the report appeared in THE TRIBUNE, a main newspaper of India's Punjab State.

SOVIET HELICOPTERS BOMB OWN TROOPS NEAR KABUL

OW282026 Beijing XINHUA in English 1446 GMT 28 Aug 84

[Text] Beijing, August 28 (XINHUA) -- Soviet helicopters searching for Afghan resistance forces mistakenly attacked their own troops on the outskirts of Kabul, capital of Afghanistan, inflicting heavy casualties, according to reports reaching here today.

The reports said that the mistaken bombing occurred on August 23-24 near Koti Sangi, on the city's western edge. "200 Soviet troops were apparently killed by the Soviet helicopters by mistake," a Western diplomat reportedly said Tuesday. "From the west of Kabul came the report that Soviet helicopters mistakenly bombed its own troops," another Western diplomat said.

Although the number of the casualties could not be confirmed exactly, the reports said, one foreign observer noticed that four truckloads of wounded Soviet soldiers were seen coming into Kabul after the incident.

AFGHAN GUERRILLAS KILL MORE SOVIET-KARMAL TROOPS

OW271900 Beijing XINHUA in English 1612 GMT 27 Aug 84

[Text] Islamabad, August 27 (XINHUA) -- In a series of fierce engagements with the Soviet-Karmal forces in Afghanistan since early August the mujahideen have inflicted heavy losses on the enemy with more Karmal troops joining the mujahideen, according to AGENCY AFGHAN PRESS reports received here.

On August 18, the mujahideen after putting up a two-day resistance, repulsed a major Soviet-Karmal offensive to recapture the strategic area of Barri in Khowst sub-division of Paktia Province. During the operation 4 enemy tanks and 12 army personnel carriers were damaged, 42 Soviet-Karmal troops killed, and 100 Karmal troops surrendered with arms to the mujahideen. Besides, one of the helicopter gunships bombing the area was shot down.

On August 19, a brigade of Soviet-Karmal forces waged another major offensive to break the mujahideen's besiege of the cantonment in Zazi area. 12 tanks managed to make their way to the cantonment for the first time. However, the mujahideen intercepted part of the enemy at Mizaki, captured 4 tanks and downed a helicopter. Moreover, 200 Karmal troops laid down their arms and joined the mujahideen.

Earlier, the mujahideen encircled an enemy cantonment in Khair Kot [as received] area on August 6, killed 5 enemies, and 17 Karmal soldiers joined the mujahideen with arms. On August 11, the mujahideen blasted an ammunition depot in the Khowst sub-division.

In the provincial capital and Poshmole and Arghandab areas of Qandahar Province, the mujahideen, in a series of operations including night raids on 4 enemy's military posts on 7th and 11th August, killed over 50 Soviet-Karmal troops and destroyed three tanks, two armoured cars and four military trucks.

In Baishkin area of Takhar Province on August 10, the mujahideen killed 20 and wounded more than 50 enemy soldiers besides destroying two armoured cars. One of the Soviet aircraft bombing the area was downed.

On the same day in the northern border province of Balkh, the enemy lost nine men and two military trucks when a Soviet-Karmal contingent fell into an ambush by the mujahideen.

In Ghazni Province a Soviet-Karmal contingent moving from the city of Ghazni to Sharna came under a sudden attack on August 12. 11 soldiers were killed and three military vehicles destroyed, and eight Karmal troops joined the mujahideen with arms.

In Amir Khani area of Nangarhar Province, eight Karmal soldiers were killed and 22 others injured when a mobile enemy force was ambushed on August 4. A tank and three army vehicles were also destroyed during the operation.

CHEN MUHUA MEETS DANISH INDUSTRIALIST 27 AUG

OW271248 Beijing XINHUA in English 1236 GMT 27 Aug 84

[Text] Beijing, August 27 (XINHUA) -- Chen Muhua, Chinese state councillor and minister of foreign economic relations and trade, today met Erik Mollerup, chairman of the board of directors of the F.L. Smidh and Co. Ltd., Denmark, which is Denmark's biggest cement producer and equipment manufacturer. During their conversation they exchanged views on strengthening cooperation between the two countries in cement production and other fields.

Mollerup and his party arrived here on August 25 for a friendly visit at the invitation of the China National Technical Import Corporation. This evening Mollerup presided over a ceremony to mark the opening of the company's representative office in Beijing.

SWEDEN'S PALME HOSTS LUNCHEON FOR OUTGOING ENVOY

OW251204 Beijing XINHUA in English 0635 GMT 25 Aug 84

[Text] Stockholm, August 24 (XINHUA) -- The longstanding cooperation between China and Sweden is established on a broad and solid basis, said Swedish Prime Minister Olof Palme at a luncheon for outgoing Chinese Ambassador Wang Ze here today. He pointed out that the visit of Chinese Premier Zhao Ziyang to Sweden last June pushed the bilateral ties to the climax.

He said that the bilateral relations have covered all fields, with a series of cooperation agreements signed and the exchange of delegations at all levels increased.

He noted that Sweden has in the past learned a lot from the Chinese culture. Now it is glad to be able to pay back the debt of gratitude by providing many kinds of assistance in science and technology for the advance of Chinese four modernizations.

He mentioned an invitation to visit China extended by Premier Zhao and said he is looking forward to the visit.

The Swedish Parliament Speaker Ingemund Bentsson met with Wang Ze this morning. He highly praised China's achievements in agriculture and industry.

SWEDEN PROTESTS SOVIET VIOLATION OF AIRSPACE

OW251021 Beijing XINHUA in English 0654 GMT 25 Aug 84

[Text] Stockholm, August 24 (XINHUA) -- The Swedish Government strongly protested on August 17 a Soviet fighter's intrusion of Swedish airspace on August 9, according to Swedish press today. The Foreign Ministry presented the protest to Soviet Embassy in Sweden immediately after receiving reports of the intrusion from the military.

On August 9 a Soviet fighter shadowed a Swedish civil airliner for five minutes in Swedish airspace from Gotland to Nanbu at a distance of 25 kilometers. The Soviet plane was later driven off by Swedish fighters.

Reports called the intrusion possibly the most serious since the Second World War, and reminiscent of the downing of the South Korean airliner by a Soviet fighter last year. Last year saw 30 violations of Swedish airspace, most by NATO.

#### BANK DELEGATION MEETS FINLAND TRADE MINISTER

OW290350 Beijing XINHUA in English 0254 GMT 29 Aug 84

[Text] Helsinki, August 28 (XINHUA) -- Finnish Foreign Trade Minister Jermu Laine said here today he hopes banks in China and Finland will work together to further develop their trade and economic ties.

Meeting with a Chinese delegation of the Industrial and Commercial Bank of China, headed by its President Chen Li, Jermu said: "In the past year, contacts between Finland and China have become active and the two countries' economic cooperation has entered a new phase."

Calling for more cooperation in industry, science and technology, Jermu said Finland and China should learn from each other, help offset each other's deficiencies and develop lasting cooperation.

Jermu also said he will visit China from September 2 to 7 at the invitation of Chen Muhua, the Chinese minister of foreign economic relations and trade.

The Chinese delegation arrived here from Sweden on August 27 for a week-long visit to Finland at the invitation of the Finnish Central Savings Bank.

#### WANG BINGNAN MEETS, HOSTS AUSTRIAN DELEGATION

OW282010 Beijing XINHUA in English 1503 GMT 28 Aug 84

[Text] Beijing, August 28 (XINHUA) -- Wang Bingnan, president of the Chinese People's Association for Friendship With Foreign Countries, today met and had a friendly talk with a delegation from Austria.

The leader of the delegation is Hermann Ritzinger, member of the Parliament of Steiermark State of Austria and vice-mayor of Neumarkt City. The meeting was followed by a dinner given by Wang Bingnan.

#### JI PENGFEI MEETS UK INCHCAPE DELEGATION HEAD

OW281619 Beijing XINHUA in English 1441 GMT 28 Aug 84

[Text] Beijing, August 28 (XINHUA) -- State Councillor Ji Pengfei met Sir David Orr, chairman of Britain's Inchcape Group, here today. Present at the meeting were Wang Yaoting, chairman of the China Council for the Promotion of International Trade, and Guo Dongpo, vice-chairman of the council. Also attending was British Ambassador to China Sir Richard Evans.

FURTHER REPORTAGE OF LI XIANNIAN'S ROMANIA VISIT

## Romanian Paper Extends Welcome

OW290228 Beijing XINHUA Domestic Service in Chinese 1514 GMT 26 Aug 84

[Text] Bucharest, 26 Aug (XINHUA) -- In its editorial entitled "The Romanian People Warmly Welcome Comrade Li Xiannian's Visit," the Romanian paper SCINTEIA stresses today that the firm friendship and unity and close cooperative relations between the Romanian and Chinese parties and the two countries have continuously developed. The editorial says: Our relations are based on the principles of complete equality, respect for national independence and sovereignty, noninterference in each other's internal affairs, and mutual benefit. These principles are of great significance to strengthening the friendly cooperation between the two parties, the two countries, and the two peoples in various fields.

The editorial praises Comrade Li Xiannian for his contribution to the development of Romanian-Chinese friendship and cooperative relations. The editorial says: During their visit to Romania, President Li and the delegation led by him have attended celebrations for the 20th anniversary of social and national liberation and the 30th anniversary of the antifascist and anti-imperialist revolution. President Li has also met and held talks with Comrade Ceausescu.

The editorial says: The views exchanged, the agreements reached, and the documents signed by the party and government leaders of the two countries have given prominence to our common desire: to ensure the further flourishing of Romanian-Chinese relations consistent with the increasing potential provided by the economic and social development of the two socialist countries.

The editorial points out: Internationally, Romania and China cooperate closely with each other; resolutely safeguard peace; and strive for the freedom, independence and social progress of the people of various countries, the elimination of the policy of hegemonic politics and threat by force, the settlement of disputes through negotiations, the democratization of relations between countries [guo jia jian di guan xi min zhu hua 0948 1367 7035 4104 7070 4762 3046 0031 0553], the elimination of underdevelopment, and the establishment of a new international economic order. Both Romania and China firmly advocate ending the arms race and a transition from this to taking measures for nuclear disarmament. They hold that it is more necessary now that at any other time to strengthen the cooperation and unity of the people of various countries and progressive forces in various parts of the world in order to stop the dangerous course of development toward conflict, war and nuclear catastrophe, and in order to safeguard various countries' highest rights of survival, freedom, peace and progress.

In conclusion, the editorial says: The Romanian people firmly believe that this meeting between Comrades Ceausescu and Li Xiannian will further promote the development of friendship, unity, and cooperation between the Romanian and Chinese parties and the two countries and two peoples, and will be conducive to the socialist cause and the cause of world peace. The Romanian people warmly welcome the visit to Romania by Comrade Li Xiannian, a distinguished guest from friendly socialist China.

## Visits PRC Embassy

OW280639 Beijing XINHUA Domestic Service in Chinese 0908 GMT 27 Aug 84

[Text] Bucharest, 26 Aug (XINHUA) -- On the afternoon of 26 August President Li Xiannian called on Chinese in Romania, visiting staff members of the Chinese Embassy, and the office of the Civil Aviation Administration of China, as well as Chinese experts and students working or studying in Romania. He also posed for a picture with them.

President Li expressed his cordial regards to all the working personnel and students who live far away from home, and urged them to work hard to promote Sino-Romanian friendship.

President Li and his party flew back to Bucharest from Constanta on the afternoon of 26 August.

#### Lays Wreath at Monument

OW281224 Beijing XINHUA in English 1206 GMT 28 Aug 84

[Text] Bucharest, August 28 (XINHUA) — Chinese President Li Xiannian laid a wreath at the "Monument of Heroes of Struggle for Freedom of the People and Homeland and for Socialism" here this morning.

Accompanied by Ion Dinca, member of the Executive Political Committee of the Romanian Communist Party Central Committee and first deputy prime minister, President Li drove to the monument site south-west of Bucharest. A guard of honour presented arms saluting the president while the military band played the national anthems of Romania and China. President Li placed a wreath before the monument and stood in silent tribute.

Later, he viewed the tombs of the late Romanian leaders Gheorghiu-Dej, Constantin I. Parhon and Petru Groza. Also present were members of Li's party, including Hao Jianxiu, alternate member of the Secretariat of the Chinese Communist Party Central Committee.

#### Speaks at Bucharest Factory

OW290204 Beijing XINHUA Domestic Service in Chinese 1506 GMT 28 Aug 84

[By reporter Gu Wenfu]

[Text] Bucharest, 28 Aug (XINHUA) -- While visiting the Bucharest heavy machine-building plant, Chinese President Li Xiannian said today that industrial enterprises must cut down on the number of nonproductive personnel and get rid of "experts" who do not work but spend their time disputing trifles.

During a meeting at the plant, Romanian First Deputy Prime Minister Ion Dinca briefed President Li on how Romania's industrial enterprises improved their management. Dinca reported that in the past, 20 percent of Romania's industrial enterprise personnel were nonproductive, but now only 2 to 4 percent are nonproductive. The Bucharest heavy machine-building plant has 12,000 workers, but only 2 people -- the secretary of the plant party committee and the chairman of its trade union -- are totally nonproductive. He said: "Having too many nonproductive personnel is one of the root causes of bureaucracy."

President Li highly endorsed Ion Dinca's opinion. He said: "You have done a good job. We should learn from you. China is now engaged in administrative reform, and one of the problems that needs to be dealt with is the proportion between productive and nonproductive personnel. In China today about 20 percent of industrial enterprise personnel are nonproductive. Some people do not work but spend their time disputing over trifles. They are really 'dispute experts' [che pi zhuan jia 2102 4122 1413 1367]. We attach great attention to experts and technicians, but we don't need any of these 'dispute experts'."

President Li praised the Bucharest heavy machine-building plant for its great achievements in producing quality goods and in marketing them. He said: "We have to sell what we produce, so we must lower costs and increase productivity. While capitalist plants want to make money, socialist countries' factories also want to make as much money as possible to increase state revenue."

President Li sa'd jokingly: "I was a finance minister, but being finance minister without money was unappealing."

Li Xiannian said: "It is uneconomical for a factory to be all-embracing. Different parts of the country should cooperate by sharing responsibilities. Now, different parts of the world are cooperating in this manner. China and Romania should strengthen their economic and technical cooperation." President Li's speech was warmly applauded.

Talks Conclude 28 Aug

OW282002 Beijing XINHUA in English 1950 GMT 28 Aug 84

[Text] Bucharest, August 28 (XINHUA) -- Chinese President Li Xiannian and Romanian President Nicolae Ceausescu today expressed satisfaction at the success of President Li's state visit to Romania. The two leaders held that the current visit of the Chinese president and their official talks have played an important role in the development of the relations between the two parties, two countries, and two peoples of China and Romania.

Li and Ceausescu successfully concluded their talks at the house of the State Council later this afternoon, which lasted for one and a half hours. During today's talks, they exchanged views on some international issues of common concern. They observed with satisfaction that the two sides shared identical or similar views on the issues discussed.

In the talks, Ceausescu explained Romania's stand on a number of international issues, noting that the deteriorating international situation might cause extremely dangerous conflicts. Looking around the world situation as a whole, Ceausescu stressed that the key issue of our age is disarmament, and primarily nuclear disarmament. He reiterated Romania's stand that the United States should halt the deployment of new missiles in Europe and the Soviet Union stop carrying out its counter-measures. The two big powers should resume their talks with a view to reaching an agreement on dismantling the missiles in Europe. It is necessary to reach an agreement to stop the production of nuclear weapons and eliminate step-by-step all nuclear weapons, he said.

Ceausescu said Romania stands for an international conference on the Middle East issue and also attaches great importance to the establishment of a new international economic order. Turning to the United Nations, Ceausescu expressed the hope that this international body could play a more active role in the world affairs and make its contributions to the settlement of major international issues.

Thanks Ceausescu for Hospitality

OW290828 Beijing XINHUA in English 0750 GMT 29 Aug 84

[Text] Bucharest, August 29 (XINHUA) -- Chinese President Li Xiannian today cabled his thanks to Romanian President Nicolae Ceausescu while on board his plane to Yugoslavia from Bucharest.

The message says: "On leaving your beautiful land, I wish once more to express my heartfelt thanks for the warm welcome and lavish hospitality given to me by you yourself, the other leaders of the Romanian party and government, and the Romanian people."

It continues: "I am deeply satisfied with my visit which has given me the opportunity to revisit your country, join the Romanian people in celebrating their great festival, conduct sincere and fruitful talks with you and other Romanian party and government leaders, have extensive contacts with the Romanian people, and acquaint myself with your construction achievements and experience in building socialism."

The message concludes by saying "The visit itself and the Romanian people's profound sentiments of friendship for the Chinese people have left me a deep impression which will live long in my memory."

#### BELJING PERFORMANCE MARKS ROMANIAN NATIONAL DAY

OW271910 Beijing XINHUA in English 1629 GMT 27 Aug 84

[Text] Beijing, August 27 (XINHUA) -- The Ministry of Culture tonight sponsored a performance of a Romanian play in celebration of the 40th anniversary of Romanian National Day. Romanian Ambassador Angelo Miculescu was invited to the new production by the Beijing People's Art Theater.

Written in 1949 by Mircea Stefanescu (1898-1982), "A Wagon Loaded With Clowns" depicts the life of a wandering Romanian artist and his efforts to establish native Romanian drama in the late 19th century.

Vice-Minister of Culture Lu Zhixian was present tonight. Also present with Romanian Embassy officials, as well as Romanian experts and students in Beijing.

#### SFRY COMMENTS ON LI XIANNIAN'S COMING VISIT

TANJUG Cited

OW280940 Beijing XINHUA in English 0639 GMT 28 Aug 84

[Text] Belgrade, August 27 (XINHUA) -- Chinese President Li Xiannian's visit to Yugoslavia will help open up new areas of cooperation between the two countries, said the Yugoslavian news agency TANJUG on the eve of Li's visit. In an article entitled "Important Development of Friendly Cooperation," it said Li's visit, the first paid by a Chinese president since the two countries established diplomatic relations in 1955, showed both countries' desire to carry forward bilateral ties and cooperation in the world arena.

Having reviewed the history of development of bilateral relations, it said the League of Communists of Yugoslavia and the Chinese Communist Party had always adhered to the principles of building socialism in the light of their own internal conditions and characteristics. It said Li's visit will quicken the pace of development of bilateral cooperation, which was in the interest of the two peoples and that of other peoples in the world as well.

Yugoslav Spokesman Comments

OW281920 Beijing XINHUA in English 1905 GMT 28 Aug 84

[Text] Belgrade, August 28 (XINHUA) -- Chinese President Li Xiannian's coming visit to Yugoslavia and the summit talks between Yugoslavia and China will further promote the relations between the two socialist countries, a spokesman of the Federal Secretariat for Foreign Affairs said here today.

He said that Li's visit, the first to Yugoslavia by a Chinese president as well as the first by Comrade Li Ziaonian, reflects the traditional and close friendly relations between the two countries.

Such relations are established on the basis of independence and self-determination and full equality and mutual respect, said the spokesman. He added that on this basis the two nations have maintained dialogues at the highest level and promoted all-round bilateral and international cooperation in the struggle for world peace and security. The spokesman also said that during Li's visit the leaders of the two countries will discuss bilateral relations and cooperation as well as major international issues.

FURTHER COVERAGE OF HUNGARIAN MARJAI'S VISIT

Li Peng Attends Banquet

OW250643 Beijing XINHUA Domestic Service in Chinese 1649 GMT 24 Aug 84

[Text] Beijing, 24 Aug (XINHUA) -- Hungarian Ambassador to China Ivan Laslo gave a dinner on the evening of 24 August on the occasion of Deputy Premier of the Hungarian Council of Ministers Jozsef Marjai's visit to China.

Attending the banquet on invitation were State Council Vice Premier Li Peng, Minister of Machine-Building Industry Zhou Jiannan, president of the Academy of Social Sciences Ma Hong, Vice Minister of Foreign Affairs Qian Qichen, and responsible persons from departments concerned.

Marjai and Li Peng exchanged enthusiastic toasts at the banquet, expressing the common wish to continuously develop friendly relations and cooperation between Hungary and China.

Leaves for Chongqing

HK280908 Xian Shaanxi Provincial Service in Mandarin 0330 GMT 28 Aug 84

[Text] The 11-person delegation led by Jozsef Marjai, deputy premier of the Hungarian Council of Ministers, ended their visit to Xian and left for Chongqing this morning. Shaanxi Provincial Vice Governor Sun Kehua and others saw them off at the airport.

Deputy Premier Marjai and his party arrived in Xian on the afternoon of 25 August. On that very evening the provincial government gave a banquet to welcome the Hungarian guests. During their stay in Xian, Deputy Premier Marjai and his party, accompanied by provincial Vice Governor Sun Kehua, visited the Shaanxi color TV picture tubes factory and the Xian electric power equipment manufacturing company, as well as some scenic spots and historical sites.

KUWAITI ASSEMBLYMEN CONCLUDE PRC VISIT 28 AUG

OW280830 Beijing XINHUA in English 0906 GMT 28 Aug 84

[Text] Shenzhen, August 28 (XINHUA) -- A delegation from the National Assembly of the state of Kuwait, led by Speaker Mohammad Yusuf al-'Adasani, wound up its six-day visit to China and left here by train earlier today. The delegation was honored yesterday evening at a banquet given by the Standing Committee of the Guangdong Provincial People's Congress and the Shenzhen People's Government. While in Shenzhen the delegation visited the Shekou industrial district and several factories.

Upon his departure, Speaker Al-'Adasani told XINHUA that the meetings and talks he had had with Chinese leaders were fruitful. "This will help further strengthen the relations and friendship between our countries and two peoples," he said. "We believe that China's policy of opening to the outside world will help strengthen its friendly relations with all friendly countries in the world, especially those in the Middle East," he added.

MORE ON MOROCCAN CULTURE MINISTER'S PRC VISIT

Cultural Exchange Pact Signed

OW241244 Beijing XINHUA in English 1233 GMT 24 Aug 84

[Text] Beijing, August 24 (XINHUA) -- The 1984-1986 executive plan for cultural exchange between China and Morocco was signed here today by Chinese Minister of Culture Zhu Muzhi and Moroccan Minister of Cultural Affairs Said Belbachir. According to the plan, the two countries will carry out cultural exchanges and cooperation in the fields of art, education and the mass media, as well as religious and social affairs.

Returns to Morocco

OW290348 Beijing XINHUA in English 0247 GMT 29 Aug 84

[Text] Rabat, August 28 (XINHUA) -- Moroccan Minister of Culture Said Belbachir today described his recent visit to China as "very satisfactory" and said that the relations between Morocco and China were "very good". He was speaking to the XINHUA correspondent upon his return at the Casablanca airport from a two-week visit in China where he signed a cultural agreement with China.

The Moroccan minister pointed out, "One of the objectives of my visit to China is to strengthen the ties between our two countries and in culture in particular. My visit is crowned with success." The visit, he said, enabled him to see personally the considerable efforts made by China in the cultural field and to learn much from a great country with a age-old culture. He said that the implementation of the cultural agreement would promote the already good relations with China.

CHEN MUHUA MEETS GUINEA-BISSAU FISHING MINISTER

OW281838 Beijing XINHUA in English 1648 GMT 28 Aug 84

[Text] Beijing, August 28 (XINHUA) -- An agreement on the cooperation in fishing was signed here today between the governments of China and Guinea-Bissau. Chen Muhua, state councillor and minister of foreign economic relations and trade, attended the signing ceremony. Prior to the ceremony, she met Luis Oliveira Sanca, secretary of state for fishing of Guinea-Bissau, and members of his delegation.

CUI NAIFU, PRC DELEGATION DEPART FOR LIBYA

OW262012 Beijing XINHUA in English 1457 GMT 28 Aug 84

[Text] Beijing, August 28 (XINHUA) -- A Chinese Government delegation led by Cui Naifu, minister of civil affairs, left here for Tripoli this evening. The delegation is to attend the celebrations of the 15th anniversary of the Libyan September First Revolution.

PRC MUSLIM GROUPS LEAVE FOR MECCA, KUWAIT

OW272000 Beijing XINHUA in English 1606 GMT 27 Aug 84

[Text] Beijing, August 27 (XINHUA) -- A 48-member Muslim pilgrimage delegation led by Ilyas Shen Xiaxi, vice-president of the Chinese Islamic Association, left here in two groups for Mecca via Karachi August 24 and 27. The pilgrims come from the Hui, Uygur, Kazak and Kirgiz nationalities of 17 provinces, autonomous regions and municipalities, including Shanghai, Beijing, Xinjiang, Gansu and Ningxia. A party of 10 of the pilgrims will also pay a visit to Kuwait after the pilgrimage, at the invitation of the Kuwaiti Ministry of Islamic Affairs.

The leader of the delegation said before departure that, "In addition to fulfilling our holy mission in Mecca, we will also have broad contacts with Muslims from various parts of the world and discuss Islamic affairs, so as to promote mutual understanding and friendship and the development of the Islamic cause." He thanked the Kingdom of Saudi Arabia, the Islamic World League, and Pakistan for their support.

Seeing the delegation off at the airport today were leading members of the Religious Affairs Bureau of the State Council and the Chinese Islamic Association.

QIAN LIREN MEETS MALI PEOPLE'S UNION GROUP

OW241249 Beijing XINHUA in English 1234 GMT 24 Aug 84

[Text] Beijing, August 24 (XINHUA) -- Qian Liren, head of the International Liaison Department of the Central Committee of the Communist Party of China, met and gave a dinner for a delegation from the Malian People's Democratic Union here this evening. The delegation is led by Baye ag Mohamed, member of the Executive Bureau and deputy secretary for organization of the Central Committee of the Malian Union.

During their friendly talks, the two sides paid tribute to the cooperation and traditional friendship between the Chinese and Malian parties and peoples. In the morning and afternoon, Wang Zhaohua, deputy head of the Organization Department, and Li Shuzheng, deputy head of the International Liaison Department, of the CPC Central Committee, held discussions with the delegation respectively. The Malian delegation arrived here yesterday.

UGANDAN DEFENSE MINISTER RETURNS FROM PRC

OW240227 Beijing XINHUA in English 0157 GMT 24 Aug 84

[Text] Kampala, August 23 (XINHUA) -- Ugandan Vice-President and Defense Minister Paulo Muwanga returned home today from his visits to China and the Democratic People's Republic of Korea. Muwanga paid a four-day official visit to China from August 17 after a visit to Pyongyang at the head of a Ugandan Government delegation. The vice president is the most important Ugandan leader to visit China since the present government came into office in December, 1980.

Describing his talks with Chinese leaders as "fruitful," Muwanga said in Beijing before his departure for home that he is confident of the development of Uganda-China relations.

LEBANON'S KARAMI, PRC ENVOY DISCUSS ISRAEL

OW241325 Beijing XINHUA in English 1307 GMT 24 Aug 84

[Text] Beirut, August 24 (XINHUA) -- Lebanese Prime Minister Rashid Karami received Chinese Ambassador Yu Mengxin here today to ask China along with the international community to help stop the Israeli atrocities in south Lebanon.

The Lebanese Government has decided to lodge an official charge at the U.N. Security Council against the Israeli occupation of its territory and to ask the world body to put an end to Israel's brutal treatment to southern Lebanese people. Ambassador Yu reaffirmed China's stand of demanding a total unconditional withdrawal of the Israeli troops from Lebanon and supporting Lebanon's independence, sovereignty and territorial integrity.

Karami today also met with the ambassadors of the United States, Britain, France and the Soviet Union and made the same request.

EGYPTIAN OFFICIAL MEETS WITH XINHUA DELEGATION

OW281934 Beijing XINHUA in English 1916 GMT 28 Aug 84

[Text] Cairo, August 28 (XINHUA) -- Egypt and China should increase exchange and cooperation in news reporting to promote their development of journalism and help break the control of the news market by Western news organizations, said Egyptian Shura Council Speaker Subhi Abdal-Hakim here today.

Meeting visiting deputy editor in chief of China's XINHUA NEWS AGENCY Mu Guangren and his team, Hakim, also chairman of Egypt's higher press council, said both Egypt and China are "Eastern" countries. If they strengthen their relations of cooperation in news and information services, they will help break Western nations' control of news dissemination. He noted that of late, many non-aligned countries have decided to gradually restrict Western nations' monopoly and control of news reporting. Through cooperation, he added, both XINHUA and the MIDDLE EAST NEWS AGENCY could give full play to their strong points and at the same time benefit from it.

On the Middle East situation, Hakim said Egypt will continue to improve its relations with Arab countries. He described events in the relations between Arab countries as "dark summer clouds." "Once the clouds are gone, the sun will shine," he said. On Jordan's decision to resume its diplomatic relations with Egypt, Hakim said he believed that more Arab countries would do the same.

XI ZHONGXUN ON PARTY CONSOLIDATION WORK, REFORM

OW290836 Beijing XINHUA in English 0754 GMT 29 Aug 84

[Text] Beijing, August 29 (XINHUA) -- The current nationwide Communist Party consolidation drive should play a major role in removing obstacles in the way of China's institutional and economic reforms, said a senior party official here Tuesday. Xi Zhongxun, member of the Secretariat of the CPC Central Committee, said this at a meeting sponsored by the Central Party Consolidation Guidance Commission. A total of 700 people from various departments of the party Central Committee and government ministries attended the meeting.

Xi said that party consolidation should promote the implementation of the policies of opening the country to the outside world and invigorating the domestic economy. All party organizations must continue to eliminate "leftist" influences, he said, adding that practices prevalent in previous political movements must not be used in the current party consolidation.

Xi also confirmed the initial successes the party organizations of the central organs had achieved since the party consolidation started.

Representatives from the Ministries of Foreign Economic Relations and Trade, the Coal Industry, and Agriculture, Animal Husbandry and Fisheries spoke at the meeting of their experiences in carrying out the party consolidation. The Ministry of Foreign Economic Relations and Trade has made great efforts to eliminate bureaucracy during the party consolidation. They examined more than 900 cases involving an economic loss of 310 million yuan. This illustrates the harm bureaucracy can do the country, it was pointed out. Party officials involved in these cases were dealt with according to party discipline, and part of the loss has been recovered. This had a positive influence on the ministry's work. Between January and June, the ministry handed over 3,700 million yuan in revenue to the state, 598 million yuan more than in the same period of last year; the total export trade volume was also 13 percent higher.

WANG BINGQIAN ANNOUNCES 'MAJOR FINANCIAL REFORMS'

OW281634 Beijing XINHUA in English 1622 GMT 28 Aug 84

[Text] Beijing, August 28 (XINHUA) -- China will announce major financial reforms in 1984 and 1985, Minister of Finance Wang Bingqian said here today. The new moves will include simplifying administration and giving more power to localities and enterprises. Financial management systems will also be reformed to adjust relations between the central government and the localities, Wang said.

Further measures will be taken to encourage technological progress, including raising depreciation rates and relaxing tax policies. Tax collections from joint ventures, enterprises with foreign investment and infrastructure projects in the 14 coastal cities recently opened to overseas investment will also be made more flexible, he added.

Loans will replace financial allocations for capital construction throughout the country. Other systems such as bidding will also be tried out. Rural financial and tax collection system will also be reformed, Wang said, with new financial organizations at the township level to support agricultural production and local construction. The system supplying funds for government organs, administrative departments and other establishments will further be reformed. The organizations will be encouraged to reduce expenditures and increase income, he noted.

## Increased State Revenues

OW281950 Beijing XINHUA in English 1630 GMT 28 Aug 84

[Text] Beijing, August 28 (XINHUA) -- State revenue collections rose by 22.6 percent in the first six months of 1984 over the same period a year ago, Chinese Minister of Finance Wang Bingqian said here today. If the trend continued through the last few months of this year, he said, it would be highly possible for China to overfulfill its planned annual state revenue quota and achieve "considerable increases" over 1983. "China's financial situation is rapidly improving," Wang told a meeting here today. The upturn began in 1982 after a few years of decrease. Since then, collections have increased steadily, he added.

State expenditures have basically guaranteed the building of key capital construction projects and the development of other undertakings -- particularly cultural, educational, scientific and public health undertakings. Between 1979 and 1983, Wang said, the government spent 143.8 billion yuan (about 71.9 billion U.S. dollars) on price subsidies. During the same period, the government spent 129 billion yuan (about 64.5 billion U.S. dollars) on providing jobs for city people, raising wages, rewarding outstanding enterprises and workers and on building houses and urban public utilities. This was partly responsible for the recent "marked" improvements in living standards despite price increases, he said.

Enterprises throughout China have been able to draw benefits amounting to 68.1 billion yuan, he added, thanks to the policies which increased their power to decide their own financial and managerial affairs. Nevertheless, Wang said, there were still difficulties. Enterprises must further improve their efficiency and make more rational use of funds, he said.

RENMIN RIBAO ON COUNTY CADRE'S COURAGE IN REFORM

HK290727 Beijing RENMIN RIBAO in Chinese 23 Aug 84 p 1

[Article by RENMIN RIBAO reporters Wang Gengnan and Yang Zhenwu: "Xie the Brave -- on Deeds of Xie Qinglin, Secretary of Huolu County Party Committee"]

[Text] Xie Qinglin, secretary of the CPC Committee of Huolu County, Hebei Province, is nicknamed "Xie the brave" by the people. For over 2 years, he has bravely carried out reforms, has worked to make the people rich, and has led people all over the county to make themselves comparatively well-off. Last year, the county set new records for its nine economic indexes, including those relating to industry, agriculture, commerce, and financial revenue. The per capita income of its peasants was 545 yuan, ranking first in the whole province. On "July 1" this year, Xie Qinglin was selected as a fine CPC member and praised by the Hebei Provincial CPC Committee.

Xie Qinglin came to work in Huolu County in the fall of 1981. Soon after taking office, he went to Tongzi Township and stayed there to gain firsthand experience. One morning, when Xie Qinglin took a walk, he passed a hawker who made and sold deep-fried twisted dough sticks. He saw that the hawker and his wife were making, cooking, and selling fried sticks and an old man was working at the bellows in perfect cooperation with the couple. He asked: "Are you all of the same family?"

The hawker's wife did not know that the man asking the question was the secretary of the county CPC Committee and said to him with an air of secrecy: "We found and employed the old man working at the bellows at the fair. We pay him 2 yuan a day and give him a free meal of fried sticks every day." Finally, she said: "This is between only you and me. If other people knew this, they would say we are exploiting the old man." Xie Qinglin nodded with a smile and walked away, turning this question over and over in his mind: Why can we not allow the skilled to take along the unskilled? Why do people fear criticism from other people when they have done something good? We will not be able to enliven our economy if we do not break into the forbidden zones. When Xie Qinglin returned to the county, he gathered the members of the county CPC Committee and the people of the relevant departments to repeatedly discuss and study this question. At the meetings, he loudly appealed to the participants, saying: "Too many bans do not conform to our national conditions and too rigid an administration runs counter to the desire of the people. In order to make our people rich, we must remove these obstacles!" Through a few days of discussion, the participants in the meetings had their ideas straightened out. The county CPC Committee decided to break into the forbidden zones and strive to make the people rich. Therefore, it soon broke into the 10 forbidden zones and thus allowed people to engage in undertakings on a private basis, to recruit apprentices and workers to employ technicians, carry goods long distances to sell, buy shares in enterprises, do business collectively, open market fairs, subcontract or transfer all-round responsibility for land, and carry out integrated trade.

Breaking into the 10 forbidden zones has enabled the economy of the whole county to begin to acquire a new vitality. At that time, the CPC Central Committee had not yet issued any written regulations on these aspects. Therefore, quite a few cadres did not know whether this was correct practice and adopted a skeptical attitude. Some of them even boycotted this practice. A commune CPC secretary visited Xie Qinglin and said to him: "It is too dangerous for you to do this, and perhaps you will commit mistakes." A cadre in a village said in a straightforward manner: "This country CPC Committee secretary publicly supports people in making a fortune and becoming rich. He does not seem like a communist cadre." Xie Qinglin turned a deaf ear to these comments. He said: "A communist cadre has the precise duty to lead the masses of people in becoming rich through labor. If this is wrong, I am willing to be responsible for it." With his support and encouragement, the "two households and one combination" quickly developed all over the county. Now the number of households engaged in private undertakings has risen to over 16,000, the number of specialized households and households doing specialized jobs is over 20,700, and there are 1,800 combinations, employing over 60,000 people.

At Lingdi Village there is a peasant named Zhang Tongluo. After the 10 forbidden zones were broken into, in 1982, he recruited workers and personally set up a factory to process marble power. By the end of the year, he had earned more than 40,000 yuan. He planned to close down the factory when it proved to be a success and wash his hands of it. At that time, Xie Qinglin came to him and said: "Do not be afraid. The party's policy to make the people rich will not change and you must take the lead in becoming an industrialist!" Xie Qinglin went straight to the point and what he said struck a chord in Zhang's heart. Zhang's worries were removed. He spent money in setting up 1,500 meters of high-tension cable and installing a 50-kilowatt transformer and thus enabled the factory to use pneumatic picks in its mining operation. Last year, the factory earned 150,000 net yuan. In spring this year, Zhang Tongluo built a two-story, eight-room house at Tongye and set up in the house a trading company with 200,000 yuan of floating funds. Xie Qinglin wrote for the company the name "Tongle Trading Company."

The county town lacked land for its dense population. Xie Qinglin gathered the town leaders and helped them draw up plans and make preparations for building a multitrade integrated market with funds raised from both collectives and individuals, in order to open up the channels for commodity circulation. When the plan was proposed, some people criticized it, saying: "Is this not aimed at competing with the state-run shops?" When the leaders of the county town heard these words, they wanted to cancel the plan. Xie Qinglin went to visit and encourage them, saying: "Carry on! If any problem crops up, I will shoulder the responsibility, and if there is any difficulty, I will resolve it." In less than a year, a three-story commercial building was built opposite a state-run shop. When the integrated market went into operation on National Day last year, Xie Qinglin took the members of the county CPC Committee and the leaders of the organizations of the county government to the market to extend their congratulations. Xie Qinglin said to the workers there: "You have followed the right path and what you have done conforms to the party's policies. Since we want the state-run, collective, and private sectors to develop alongside each other, we must give them the equal treatment! It is good for you to have some competition. Only when there is competition can you develop."

Xie Qinglin was indeed Xie the brave, as he was nicknamed. In the past, because of his great courage in speaking the truth, he was criticized for his "rightist tendency" and suffered inhuman persecution during the 10 years of internal disorder. Now, already over 50 years old, he still retains his pioneering spirit and has been striving to carry out reforms and make our people rich. As far back as in 1982, in light of the reality in Huolu County, he first assigned to relevant people, by contract, all-round responsibility for managing the township and town enterprises that had relatively strong foundations, and thus created the experience of relying on township and town enterprises in developing industry and thus benefiting agriculture and developing rural commodity production. In 1983 he implemented the contracted responsibility system in all the county industrial and commercial sectors. This year he organized the relevant departments to put forth, in light of the implementation of the CPC Central Committee's Document No 1, "100 things allowed by the current policies." He called on the whole county to set up an "industrial limited company with share capital raised from the public." At his proposal, an "agricultural economics research association" was set up, with him as honorary chairman. He personally wrote theses for the association. He proposed to hold in the county town an "exhibition of Huolu County's commodity resources." In order to make the people in the whole county rich, he has bravely explored the path and striven with great courage and has performed the sacred duties of a CPC member.

#### Short Commentary

HK290731 Beijing RENMIN RIBAO Chinese 23 Aug 84 p 1

[Short commentary: "Reform, Duty, Courage"]

[Text] In the past, members of the Communist Party led the masses of people to go to the front and fight against the enemy. This kind of courage has been universally praised by our people.

Now our Communist Party members are leading the masses to become rich and are bold in carrying out the reforms, but this kind of courage has been regarded by some people as dangerous. When I read the report on the deeds of "Xie the brave," I could not help but be inspired by Xie Qinglin's brave revolutionary spirit. This kind of spirit was indispensable in the past, and is indispensable now. Xie Qinglin is "Xie the brave" in reality as well as in name. For example, as far back as 1981, he presided over the meetings of the county committee to present regulations to break into the forbidden zones in order to make the people rich, and he organized the whole county to implement these regulations.

At that time, he had to defy dangers and work bravely to break into the forbidden zones in order to allow people to engage in undertakings on a private basis, recruit apprentices and workers, employ technicians, and carry goods long distances for sale. This was particularly difficult to do and therefore particularly commendable.

Where has Xie Qinglin gotten his courage greater than other county CPC committee secretaries?

"Too many bans do not conform to our national conditions and too rigid an administration runs counter to the people's desire. In order to make our people rich, we must remove these obstacles!" Xie Qinglin firmly believes that emancipating our minds, seeking truth from facts, and proceeding from reality in doing everything is the only correct ideological line for the party. Implementing this line requires creatively integrating the line with the reality in Huolu County. Therefore, as a thorough materialist, he fears nothing.

"A communist cadre has the precise duty to lead the masses of people in becoming rich through labor." Xie Qinglin firmly believes that this is what the party's general task and goal in the new historic period requires of a party cadre, and that it is a sacred duty for a CPC member, a duty that he cannot shirk. Therefore, he is a leading cadre with courage and insight and he does not fear gossip or fear to shoulder responsibility.

Our undertaking needs tens of thousands like "Xie the brave." At the moment, we have some leading cadres who are politically very careful and have an earnest desire to become "roly-polys," [a toy which returns to an erect position when pushed] who are worldly-wise in their minds, who do not want to make mental efforts but just follow the old regulations in doing everything, who do their work entirely at the orders of the upper level as if they were "junior staff members," and who pursue comfort in their lives and diligently find ways to make their homes more comfortable. Perhaps all of these cadres are good comrades, but they are not the good comrades we need in carrying out the cause of the four modernizations. We hope that the report on the deeds of "Xie the brave" will enlighten these comrades and urge them to change their mentality as soon as possible. Thus they will act as Xie Qinglin has acted, firmly believe in the party's policy of making the people rich, bravely carry out the reforms, lead the masses of the people to strive to create a new situation in putting an end to poverty and making the people rich, and thus strive to achieve at an earlier date the general goal of the 12th CPC National Congress -- quadrupling our gross annual industrial and agricultural output value by the end of this century.

#### FANG YI URGES MORE INCENTIVES FOR SCIENTISTS

OW280854 Beijing XINHUA in English 0757 GMT 28 Aug 84

[Text] Lanzhou, August 28 (XINHUA) -- State Councillor Fang Yi recommended a stepped-up system of rewards for outstanding scientific achievements at a local meeting on scientific achievements at a local meeting on scientific work which closed here Monday. He noted that research is a decisive factor in spurring productive forces and competitiveness. Scientific workers, pioneers of new productive forces, are playing an ever-increasing role in the country's economic development and social life.

China's four modernizations drive needs millions of scientific workers with special skills, Fang said. He also emphasized that earnest efforts should be made to break away from egalitarianism in payment among the scientific workers, and the principle of more work pay be resolutely implemented. Those who have made major achievements in scientific work must be given more rewards. Without applying this principle, "there would be a bleak prospect for the advancement of science, the development of the economy and the prosperity of the country," the state councillor said.

Apart from the funds allocated by the state for the improvement of their living and working conditions, scientific workers must be encouraged to rely on their own efforts to better themselves. Research is needed, he said, into technical innovation that can be applied directly to production units. He cited the case of Liu Zhongdu, of Yunnan Province, who received a 40,000-yuan reward for his work on a computerized telephone system for a Shanghai radio factory.

HU QILI, TIAN JIYUN VISIT XIZANG GEOTHERMAL PLANT

HK290151 Lhasa Xizang Regional Service in Mandarin 1130 GMT 27 Aug 84

[Text] Accompanied by Minister of Commerce Liu Yi; Zhao Weichen, vice minister of the State Economic Commission; and responsible comrades of the regional party and government, including Yin Fatang and Pu Qiong, Hu Qili, secretary of the Secretariat of the CPC Central Committee, and Tian Jiyun, vice premier of the State Council, went to the Yangbajain geothermal station and Xigaze Prefecture on 26 August to conduct investigation and study and to give work guidance.

On 26 August at 0900 Comrade Hu Qili, Tian Jiyun, and other comrades went to the Yangbajain geothermal station. They spoke cordially with workers, cadres, engineers, and technicians in the workshop of the experimental geothermal power plant, in the pits where the geothermal and geological tunneling team was working, and in the geothermal hothouse.

Comrades Hu Qili and Tian Jiyun placed hopes on the responsible persons of the geothermal engineering command regarding the problems of exploiting and utilizing geothermal resources even better. Comrade Hu Qili said: In exploiting geothermal resources, it is necessary to use them comprehensively. This is a valuable piece of land with both a favorable climate and geographical advantages. First, it has ground hotspots; second, it has a river; third, it is near Lhasa; fourth, it has green mountains and available lakes. We can build this place into a beautiful, scenic tourist spot with national characteristics. Xizang has great prospects for developing tourism.

In his speech, Comrade Tian Jiyun said: You must prepare a good plan for these places and gradually build up facilities for tourism such as hotels, saunas, and swimming pools. In doing so, you can attract many foreign tourists here and your income will increase greatly.

Yin Fatang and responsible comrades of the geothermal engineering command who were present were very happy to hear this. They said: Leading comrades of the central authorities and the State Council have designed very good blueprints for us to carry out comprehensive exploitation of geothermal resources. We must seriously study measures and do a good job in comprehensive utilization of geothermal resources.

When Comrades Hu Qili and Tian Jiyun went to the pit where work was being carried out by the No 869 tunneling team of the Qinghai Provincial Petroleum Administration Bureau, which had come to help with the exploitation of hotspots, they cordially talked with the tunneling workers. Comrades Hu Qili and Tian Jiyun asked in detail about the production situation. They also shook hands with workers, saying: You have contributed toward supporting Xizang and toward building border areas. We extend our heartfelt respects and cordial regards to you.

Comrade Hu Qili said: You come from 13 provinces and municipalities, which account for about half the size of China, and you comprise several nationalities. It is hoped that you will do a good job for the great unity of all nationalities and will contribute toward building a new Xizang.

At noon on 26 August Comrades Hu Qili, Tian Jiyun, and others said farewell to the geothermal station workers. They drove across two high mountains, 50,000 km above sea level, heading for Xigaze, a strategic place in Xizang. At 2000 the same day Comrades Hu Qili, Tian Jiyun, and others arrived in Xigaze. They were met with a warm welcome from the responsible comrades of the local party, government, and Army, and from the masses.

LI PENG ASSESSES ENERGY IN PRC QUARTERLY

HK290734 Beijing CHINA DAILY in English 29 Aug 84 p 4

["Highlights" of an article in PRC QUARTERLY written by Vice Premier Li Peng "on China strategies in developing its energy industry"]

[Text] Since the founding of New China, our country's energy industry has undergone a tremendous development, but its supply still cannot satisfy agro-industrial demands and people's daily needs. It is still a weak link in the national economy. In spite of the tense supply situation, there still exist low efficiency and serious waste in energy usage. China has rich energy resources, but their distribution is unbalanced. Resources are mainly found in the underdeveloped areas, while in the more developed southeastern coastal areas, resources are lacking.

We intend to double our annual energy production by the end of the century, thus ensuring a quadrupling of the total annual output value of our agro-industry by the same time. Equal importance will be given to energy development and conservation. According to the specific conditions of our energy resources, the order of exploitation should be as follows: coal, oil, natural gas, hydro-electric power, nuclear energy and other new sources. Taking the country as a whole, current emphasis should be put on the exploitation of coal, while great effort should also be made to produce more oil. The emphasis should then be gradually shifted to hydroelectricity, with suitable attention paid to the development of nuclear energy.

In the construction of coal mines, attention should be paid to the following: To exploit coal resources, it is necessary to build new mines, but at the same time we must pay attention to improving and transforming old ones. From the long-term point of view, to develop the coal industry on a large scale, it will be necessary to build large opencut mines, but currently, such a programme is limited by available investment. Currently, large mines with State investment constitute the mainstay of the industry. But it is important to increase the role of small and middle-sized mines run by local governments and individual or collective peasants. This can be best done by promoting their technical transformation and improving production safety.

Oil, an important strategic material for the chemical industry, should be mainly used by airplanes, ships, other transport vehicles and cranes. Factories and power plants with oil as their fuel should be gradually renovated so that coal will replace oil. Output of the land oilfields will be kept at the level of 100 million tons a year during the Sixth Five-Year Plan period, raised if new oilfields are found. Offshore prospecting, financed by Chinese and foreign funds, looks promising.

China has rich hydro-electric resources. But at present there are only enough funds to develop the areas which will produce the best results. The upper reaches of the Huanghe River, (the Yellow River), the Hongshui River basin and the upper and middle reaches of the Changjiang River (the Yangtze River) have been selected for important development. A discussion is being held on how to harness the water-power resources in the world-famous Three Gorges of the Changjiang River. It is hoped that the project will be started in the Seventh Five-Year Plan period.

To satisfy the ever-increasing demand for electricity, stress will be placed in the near future on the building of thermal power plants which require relatively little investment and which can be built quickly. Where conditions permit, such plants will be sited near coal pits.

China will suitably develop nuclear power. Under the preliminary programme, two nuclear power plants will be built during the Sixth Five-Year Plan period, the Qinshan Plant in Zhejiang Province and the Guangdong Province Plant. Two more plants, one in east China and the other in the northeast, will be started during the Seventh Five-Year Plan period. Gradually the equipment needed will be made in China. A State supervision agency will be set up to ensure public safety.

In order to ensure the target of quadrupling our economy by doubling our energy production, it is necessary to make a great effort to save on energy consumption. In the past four consecutive years, our agro-industrial outputs surpassed those of energy production. In 1983, energy production increased by 6.7 percent, while industrial output grew by 10.2 percent. This of course had to do with changes in the production structure, but it also explained that energy saving had made significant progress. Great potential still exists in energy conservation. The most important thing is to carry out the technical transformation of outdated equipment and backward production processes. New enterprises will use equipment that consumes less energy.

Control over the use of energy will be increased to ensure that consumers will not use more energy than their quotas. Those who waste energy will face economic penalties. A solution to the widespread energy shortage in rural China is vital to further developing the economy in conformity with local conditions, stressing simultaneous use of different resources. In the coal-rich areas, coal will be the basic fuel. In provinces south of the Changjiang River, small hydro-electric stations and power grids will be built on a self-financing basis. As a trial, 100 counties have been selected for electrification, using small hydro-electric stations.

Growing grass and forests remain major tasks in the vast countryside where the main fuel resource is firewood and dry grass. Methane-generating pits whose efficiency has been greatly increased by technical improvements will be put into wider use in rural China.

#### RENMIN RIBAO ON RURAL CONTRACT SYSTEM SEMINAR

HK290559 Beijing RENMIN RIBAO in Chinese 26 Aug 84 p 5

["Academic Trends" column by Sun Fangming: "Roundup on the Theoretical Discussion Meeting on the System of Contracted Responsibilities of Linking Payment With Production in Agriculture"]

[Text] In early July 1984, the Chinese Agricultural Economics Society, the Agricultural Economics Institute of the Chinese Academy of Social Sciences, and the political and economic teaching and research office of the Central Party School jointly held a national theoretical seminar in Beijing on the agricultural contract responsibility system. The following are the major viewpoints presented at the meeting:

1. The output contract responsibility system and the cooperative economic theory of Marxism. Most comrades held that the output contract responsibility system is a great creation of the Chinese peasants. It has enriched and developed the cooperative economic theory of Marxism. The output contract responsibility system is a concrete form of separating the operation and use rights to rural production materials from their ownership under socialist conditions.

Through this separation commodity producers can achieve some power over their independent operations, the principle of material benefits can be ensured, and various economic factors can be combined and mobilized in different forms. The output contract responsibility system makes it possible to link the cooperative economic form with operations based on the peasant households. This enriches the content of the cooperative economy and should be regarded as a "new product" of the cooperative economy.

Some comrades held that the historical conditions under which the classics of Marxism presented their cooperative economic theory, as well as the objects of their studies, were greatly different from our country's present situation. Thus, their specific conclusions should not be used to measure the output contract responsibility system. At present, different cooperative economic organizations in the countryside vary widely in their forms and content. They should all be allowed to develop, and it is inadvisable to define their characters in haste.

Some comrades have also expressed their opinions on the differences between the cooperative economy and the collective economy. They have said that the cooperative economy can encompass various forms of ownership and factors of distribution not just according to work. Various members in a cooperative economy can have relatively independent interests and decisionmaking powers in operations. In these areas, the cooperative economy is sharply distinct from the collective economy.

2. The discussion about the household output contract responsibility system. Some comrades held that the introduction of the output contract system does not change the character of the public ownership system over the means of production. The collective can still play a role in unifying management, coordinating distribution, and implementing state plans. The establishment of the output contract system is mainly a reform of the management and organizational work in production of the collective economy.

Most comrades held that when the output contract system develops to the stage of the household contract system, it has gone beyond the scope of the responsibility system within a collective economy, and it represents a profound change in the way to organize production and operations in the rural economy.

As far as the operations of peasant households under the output contract system are concerned, most comrades agree that they represent one layer in the "two tier" operation system of the new cooperative economy. Some comrades held that, through household operations, peasant households will inevitably possess more and more production materials, and it is not easy to distinguish the contract economy of peasant households from their private economy. In most areas the private economic sector is growing rapidly, and a large number of private economic entities that are not dependent on land have emerged. Therefore, concrete analysis should be made when dealing with household operations, and their characters should not be determined in a general way.

3. The output contract responsibility system and commodity production. Most comrades held that the output contract system ensures that commodity producers in rural areas have the right to decide on their independent operations (and to dispose of their products), guarantees the principle of material interests of individual producers, and determines the diversification of the movement channels and combination patterns of such economic factors as funds, technology, technical manpower, information, and resources. It is conducive to the expansion of social division of labor and to commodity exchanges, so it is a necessary prerequisite for commodity production development. Without highly developed commodity production, it will be impossible for our country to succeed in building socialism.

At the seminar some comrades pointed out that there is currently a basic contradiction between theory and policy. That is, on the one hand we emphasize the need to go all out to develop commodity production and develop a commodity economy, while on the other hand we continue to belittle and neglect the regulatory role of the law of value. This shows that some of our comrades are still accustomed to egalitarianism and the practice of "eating from the same big pot," and they are afraid to see full development of commodity production instead of poverty in the countryside and slow development of the rural economy. Without solving this problem in theory and practice, rural commodity production development will certainly be affected. In fact, if one negates the law of value, one will negate the basic characteristics of and general foundation for the planned economy under the conditions of commodity production.

Some comrades have pointed out that it is incorrect to think that the system of state monopoly over the purchase and marketing of farm produce represents the basic and main form of the planned economy. Along with changes in conditions, this system will become an obstacle for the change of our rural economy from a self-supporting type to a highly developed commodity production type if it is not reformed.

4. The trade in and prospects for rural economic reform and rural economic development. Comrades attending the seminar unanimously agreed that after accomplishing the initial reform of our rural economic system, and while this reform is developing into the second phase, major efforts should be made to resolve the issue of developing large-scale commodity production in the countryside. Development of rural commodity production will certainly bring about profound changes in the rural economy. The rationalization of the rural economic structure, the shift of rural labor, and the reform of the circulation system along with readjustment of the economic relationship between cities and the countryside constitute three major trends.

In addition to the developmental trend of rural commodity production, comrades at the seminar discussed the relationship between specialization and diversification of household operations and the mechanization of agriculture. Most comrades held that specialization is a general trend, but in view of the specific conditions of our country, diversified operations of specialized household will continue for a long time. We should therefore not artificially raise the specialization level of specialized households through administrative measures. In general, the output contract system and household operations will promote agriculture mechanization because they provide a more realistic way to realize this mechanization. At present, more attention should be paid to the joint use of farm machines by a number of peasant households. The use of farm machines should be turned into a service trade.

Some comrades also pointed out that it is necessary to seize the present opportunity of "a low-level relative oversupply" (referring to effective demand) of some major farm products, including grain, to promote forming a new rural economic structure conducive to commodity production development.

Comrades attending the meeting generally held that current judgments should be formed only on the developmental trends of many issues in rural economic development, and that more in-depth studies are necessary.

#### GUANGMING RIBAO ON BECOMING RICH AHEAD OF OTHERS

HK290648 Beijing GUANGMING RIBAO in Chinese 19 Aug 84 p 3

[Article by Zhang Yongxun: "Continued Efforts Should Be Made To Understand the Policy of Letting Some People Become Rich Ahead of Others"]

[Text] Letting some people become rich ahead of others is a correct policy that encourages laborers to fully utilize their intelligence and wisdom for the sake of the country. This has been verified in the course of rural reform. Therefore, we should adhere to this policy in urban reform.

The policy of letting some people become rich ahead of others reflects the features of our economy's uneven development and objective demands for remuneration according to work in the present stage. According to an idea envisaged by Marx and Engels, when the means of production is owned by all of the people in a socialist society, the economic roots causing antagonism between leading people are eliminated. This, with expanded production, may "ensure all members of the society not only an ever growing abundant material life, but also free development of their physical strength and application of their knowledge." ("Selected Works of Marx and Engels," Vol 3, p 322) However, the socialist society envisaged by Marx and Engels should be built on the basis of highly socialized productive forces. However, the actual situation in our country is different. Before the productive forces develop to a high degree and public wealth becomes extremely abundant, it is impossible for the people to set a similar standard for their material life. Ours is a country with a vast territory and our natural conditions and resources differ in different places. Because of the different status of affairs in economy, culture, and communications, and because of different levels of management, economic development inevitably runs unevenly. As a result, people's income differs in different regions, in different enterprises in one region, and in different enterprises in different regions. Meanwhile, remuneration of laborers should be different because of their different physical strengths and knowledge. If we deny such differences and if we do not make a difference in remuneration according to work, laborers' enthusiasm will be dampened and there will be no motivating force in economic development.

Some comrades worry about whether the policy of letting some people become rich ahead of others will make the rich become richer and the poor become poorer and eventually divide the two sides into two opposing extremes. Actually, there is no need to worry about this. Polarization is an outcome of private ownership of the means of production. The grounds for exploitation of others by the means of production no longer exist in our country. Workers, peasants, and intellectuals are all masters of the country. The purpose of work done by laborers is to satisfy their common needs. The policy of letting some people become rich ahead of others is not based on the principle that these people have something special, but is a reflection of the principle of distribution according to work. Some people become rich ahead of others because the living standards of all laborers are relatively improved. The only difference is the speed and degree of becoming rich among the people.

Some other comrades say that the policy of letting some people become rich ahead of others does not specify that intellectuals may also become rich ahead of others. This implies that some intellectuals are not allowed to become rich ahead of others. As a matter of fact, "some people" include peasants and workers as well as intellectuals. The intellectuals of our country are a part of the working class. They mainly engage in mental work, which belongs in the category of complicated labor. In accordance with the Marxist theory on labor value, the value of complicated labor is many times higher than that of simple labor. When intellectuals can use fully their professional knowledge, they can provide good proposals to accelerate updating of products, new measures in reforms to raise technological levels and improve economic results, and important inventions or creations to bring enormous wealth to our society. For this reason, intellectuals who have made contributions to economic development deserve higher remuneration. Only by so doing will it be possible for us to give full play to knowledge and intellectuals, to bring about a great advance in the development of the country, and to attain the goal of becoming rich together.

Urban reform is now in progress step by step under the unified leadership of the party Central Committee and in an overall and planned way. Overcoming the prevailing defect of "everybody eating from the same big pot" in the urban economy will have a most important bearing on the reform.

GUANGMING RIBAO DISCUSSES TAX, WAGE REFORM

HK140807 Beijing GUANGMING RIBAO in Chinese 22 Jul 84 p 3

[Article by He Tianzhong: "The Substitution of Taxation for Profit Delivery and the Reform of Wage System"]

[Text] China is now considering the second step of the tax system reform and studying the wage system reform. Those two reforms have the same purpose of successfully handling the relationship between the state and enterprises and solving the problem of "everybody eating from the same big pot." But in the final analysis, they belong to different sectors and although they are the same in certain aspects, they have different natures. What is to be urgently studied at present is how the second step of the substitution of taxation for profit delivery should be carried out in conjunction with the reform of the wage system.

1. The contradictions between the first step of the substitution of taxation for profit delivery and the original wage system.

The key question in introducing the substitution of taxation for profit delivery is whether the ratio of tax to profit defined by the state is in a position to handle correctly the relationship of interests between the state, enterprises, and workers and staff members. Viewed from the point of wages, when enterprises have improved economic results, the bonus fund retained by these enterprises should correspondingly be increased too. But in the distribution sector, the first step of the substitution of taxation for profit delivery did not change the original first-level distribution system which is highly centralized; therefore, the problem of "everybody eating from the same big pot" basically remains untouched.

First, the main income of workers and staff members is still characterized by "everybody eating from the same big pot" because it is distributed by the state in a unified manner. Prior to the 3d Plenary Session of the 11th CPC Central Committee, total wages in enterprises were included in production costs. Following the introduction of the first step of substitution of taxation for profit delivery, the related departments have declared that with the exception of ton/coal bonus for coal enterprises, the bonus for saving 10 kinds of special raw materials that has been defined by the state and the bonus for rational suggestions and technological improvement, enterprise bonuses must still be included in costs. Other bonuses must be included in after-tax retained profit. Of course, this practice represents progress from the past practice when all wages were included in costs. But the question is not merely because wages are included into cost, it is the distribution itself. That is to say, fixed income that includes standard wages and subsidies is still guaranteed, no matter what the results of an enterprise's business operations. The present wage structure of enterprise workers and staff members includes standard wages and subsidies that make up more than 80 percent of their total income. Therefore in spite of the introduction of the substitution of taxation for profit delivery, the situation in which enterprises are "eating from the same big pot" of the state has not been really resolved.

Second, with bonus ceilings, it is impossible to really link wages with economic results. It has been defined in introducing the first step of the substitution of taxation of profit delivery that all production bonus must be linked with enterprise's economic results. Therefore according to this stipulation, enterprises will be able to retain more bonus funds on the basis of a certain proportion when they have made more profit. But we did not take the opportunity to substitute taxation for profit delivery to change the ceiling whereby average bonus cannot exceed 2 months of standard wages.

Consequently, although economic results have improved and bonus funds have increased, workers' income can hardly increase. That is, the first step of the substitution of taxation for profit delivery has brought no direct benefit to implementing distribution according to labor because this substitution is not accompanied by wage system reform.

2. In the second step of the tax system reform, it is imperative to consider reforming the wage system.

Practice proves that the problem of "everybody eating from the same big pot" cannot really be resolved merely by relying on the substitution of taxation for profit delivery and relying on taxation to solve the problem of the distribution between the state and enterprises unless measures are taken to reform the existing wage system. The substitution of taxation for profit delivery must be coordinated with the wage system reform. The two must not interfere with each other or the results of the reform will be cancelled out.

Originally, wages must come from various aspects that represent distribution according to work. But under the present wage system, the change of standard wages, wage readjustment (promotion), and the introduction of the subsidy system are all under the strict control of the state and they are restricted. Consequently, enterprises have maneuverability in bonuses. Therefore, when enterprises have improved their economic results and retained profits, they will concentrate on using the bonus. If the related departments do not restrict enterprise bonus funds, the enterprises will, on the basis of their own needs, take other measures in spite of affecting their bonuses. A number of departments and enterprises have demanded to be allowed to use bonus funds in floated promotion, subsidies, and bonus expenses; this demand is in line with the desire of enterprises, workers, and staff members and with the needs of the implementation of distribution according to work. It is true that restriction of bonus ceilings has been stopped, but the various aspects of wages are linked to each other and they represent an organic body. If tax is levied only on the overquota bonus, enterprises will no doubt ask to be allowed to use bonus funds in introducing floated promotion or they may carry out wage reform covering the expenses themselves. If bonus tax is expanded to taxing bonus fund expenses, enterprises and workers will of course demand the state to make allocation so as to solve workers' promotion. Therefore the second step of the substitution of taxation for profit delivery can in no way be carried out without the coordination of the reform of the wage system.

3. The substitution of taxation for profit delivery must be coordinated with the reform of the wage system.

Although the second step of the reform of the tax system will provide favorable conditions for reforming the wage system, in handling distribution between the state and enterprises and in determining the amount of the wage fund, there will also be contradictions concerning the method of implementing the floating wages system. If the second step of the substitution of taxation for profit delivery resorts to the method of levying product tax and other regulating taxes, enterprises can only retain wages funds from the net income after tax and deduction of the consumption of goods and materials. Under these conditions, although part of the total wages of enterprises will come from cost and another part will come from bonus funds, these total wages will decrease or increase when enterprise expenses are lower or higher than the average level. From the point of floating wages, these wages are consistent with the link between wages and economic results. But wages are based on the total wages as defined by the state. In addition, wages (whether from cost or enterprise retention) will float up or down because they are directly linked with the absolute volume or decreases and increases of the major goals of economic results (such as net output value, the profit that is delivered to the state, output value or the amount of the wages in per unit product).

Therefore, it can be seen that contradictions between the second step of the substitution of taxation for profit delivery and the reform of the wage system stem from different proportions and methods in retaining wage funds and the different amount of the retained total wages. Consequently, the total wages that are retained on the basis of the substitution of taxation for profit delivery will either be higher or lower than the total wages that are retained on the basis of directly linking wages with economic results. The contradictions between these two aspects can be coordinated through the following measures.

First, to consider the total wages that are retained through the substitution of taxation for profit delivery as the maximum volume. When the total wage volume that is retained on the basis of directly linking wages with economic results exceeds this maximum volume, it will be considered ineffective. This method in fact does not totally acknowledge the direct link between wages and economic results.

Second, to consider the total wage volume that is retained on the basis of directly linking wages with economic results as the standard and this volume is not restricted by the total wage volume that is retained on the basis of directly linking wages with economic results. This method will to a certain degree affect the substitution of taxation for profit delivery and will not solve the problem of financial sources.

Third, to further study feasible methods. One method is to link both tax and wages with the increases and decreases or with the absolute volume of net output value. Or measures may be taken to define the proportion between tax and wages in net output value. Another method is to define product tax and other taxes on the basis of the deduction of wage cost. And the total wage volume of enterprises is determined by the proportion of linking wages with economic results that is defined by the state and by the economic results of enterprises.

In short, it is a very complicated work to coordinate these two aspects. We have to spare no effort to study this problem before we are able to carry out this work well.

#### CHEN PURU, WANG ENMAO AT RAILROAD SAFETY RALLY

HK280255 Urumqi Xinjiang Regional Service in Mandarin 1300 GMT 27 Aug 84

[Excerpts] The Urumqi Railroad Bureau held a rally this morning to award a plaque and banner for operational safety. Minister of Railways Chen Puru personally presented to the bureau a safety plaque and a banner denoting no major accidents for 400 days. He also presented bonus awards. Regional party and government leaders Wang Enmao, Tomur Dawamat, Zhang Sixue, and Huang Baozhang attended the gathering.

Chen Puru made a speech at the rally. He said: Safety is the lifeline of railroad transport work. Without safety there can be no economic or social results. He called on the Urumqi Railroad Bureau to double their success on the basis of their achievements and to ensure no major accidents for 800 days. They should promote building the two civilizations and build a civilized bureau with three superior features, to make still greater contributions to opening up the great northwest and in building Xinjiang.

#### PLA RESCUE RECORD IN DISASTER-HIT AREAS REVIEWED

OW281230 Beijing XINHUA in English 1139 GMT 28 Aug 84

[Text] Beijing, August 28 (XINHUA) -- The Chinese People's Liberation Army has rescued 3,700,000 people from disaster-hit areas over the past 30 years, according to the Army's records. PLA naval units also went to the aid of more than 6,700 civilian ships in distress during the same period. In addition, the PLA offered about 75 million yuan worth of bedding and clothing and other relief supplies to disaster areas.

Records show that soon after Tangshan in northern China was hit by a severe earthquake in July 1976, more than 100,000 soldiers and 8,000 Army doctors and nurses were rushed to the scene to help in the rescue and relief work. Last year, a violent typhoon hit the Zhujiang (Pearl) River estuary in southern China, and a section of dyke more than 700 meters long was breached. The area was immediately flooded. More than 800 sailors from a PLA naval unit helped rescue 1,200 flood victims. None of the inhabitants was killed, but seven sailors lost their lives in the rescue operation.

Cui Naifu, Chinese minister of civil affairs, said that the heroic deeds of Chinese soldiers and sailors in these rescues and relief operations showed that the PLA was the people's own Army, and an important force in building and defending the country.

#### ENTERPRISES RECEIVE 1984 STATE QUALITY AWARDS

OW240209 Beijing XINHUA Domestic Service in Chinese 1432 GMT 23 Aug 84

[By reporter Ge Daxing]

[Excerpts] Beijing, 23 Aug (XINHUA) -- The State Quality Awards Examination and Approval Committee decided on 23 August to present the 1984 state quality control awards to seven enterprises. They are: the Dalian Harbor loading and unloading company, Shanghai Jiafeng cotton textile plant, Dongbei light alloy processing plant, No 22 metallurgical construction corporation's metal structural installations company under the Ministry of Metallurgical Industry, and the state-run Nanjing radio plant.

According to the committee, these enterprises have scored outstanding achievements in overall quality control, and shared the following common points: 1) Enterprise leadership has upheld the principle of putting quality above everything else and, processing from reality, actively exercised overall quality control in the spirit of reform. 2) The idea and method of overall quality has been popularized, and has continually taken deeper root in these enterprises. 3) They have steadily improved their product quality, increased the output value of quality products year after year, and achieved better economic results. 4) They have attached great importance to inspection and testing, and gone all out to try to surpass advanced world levels. 5) They have effectively combined quality control with technical transformation.

#### TIBETAN DELEGATION TO VISIT BEIJING FOR SEP TALKS

OW221930 Hong Kong AFP in English 1755 GMT 22 Aug 84

[Text] New Delhi, Aug 22 (AFP) -- A high-level Tibetan delegation is to leave for Beijing in the first week of September for talks with Chinese authorities on issues concerning Tibet, it was learned here today. The three-member delegation will be led by Kalon Juchen Thumten Namgyal, senior most minister in the Tibetan Government in exile, which is headed by the Dalai Lama, in Dharamsala in north India. A Tibetan delegation had visited Beijing in April 1982 for the first round of discussions.

The purpose of this visit is to continue the dialogue and contact with the Chinese authorities, according to the Information Office of the central Tibetan Secretariat. The Dalai Lama and his followers fled Tibet in 1959 following an abortive revolt against Chinese occupation of the country. The Dalai Lama and the Chinese agreed to a rapprochement in late 1979. Four Tibetan refugee delegations have visited Tibet since that time.

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HK101012 Beijing ZHONGHUA RENMIN GONGCHEGUO GUOWUYUAN GONGBAO in Chinese No 14,  
10 Jul 84

[Text] Fourteen International Labor Conventions Recognized by the PRC Government in May

1. Convention on Minimum Age for Children To Work at Sea (1920)
2. Convention on Agricultural Workers' Right of Assembly and Association (1921)
3. Convention on Weekly Days of Rest in Industrial Enterprises (1921)
4. Convention on Minimum Age for Minors To Work as Stokers and Firemen (1921)
5. Convention on Compulsory Physical Examination for Children and Minors Working at Sea (1921)
6. Convention on Equal Accident Compensation for Domestic and Foreign Workers (1925)
7. Convention on Articles of Seamen's Agreement (1926)
8. Convention of the Repatriation of Seamen (1926)
9. Convention on the Determination of Minimum Wage (1928)
10. Convention on Weight Indications for Large Parcels Shipped by Sea (1929)
11. Convention on the Prevention of Injury to Stevedores (1932)
12. Convention on Employment of Women in Mines and Underground Shafts (1935)
13. Convention on Minimum Age for Children To Engage in Industrial Work (1937)
14. Convention on the Partial Amendment of the Conventions Adopted by the 28 Previous International Labor Organization Congresses To Stipulate the Duties of the Secretary General of the League of Nations Prescribed in the Conventions and Amendments of the Conventions as a Result of the Dissolution of the League of Nations and the Amendment of the Charter of the International Labor Organization (1946)

JIANGXI'S BAI DONGCAI AT ECONOMIC MEETING

OW271333 Nanchang Jiangxi Provincial Service in Mandarin 1100 GMT 25 Aug 84

[Text] Bai Dongcai, first secretary of the Jiangxi Provincial CPC Committee, met with all representatives to the national economic cooperation meeting at (Shengwai) Village in suburban Nanchang on the morning of 25 August.

Comrade Bai Dongcai said: We welcome units concerned of fraternal provinces and municipalities to send representatives to Jiangxi for more economic cooperation and to contribute to building new socialist villages with Chinese characteristics. Jiangxi Province has rich natural resources and vast agricultural potential. However, it is far behind the fraternal provinces and municipalities in developing a diversified economy. Our weakness lies in the small number of agricultural crops. The units attending the national economic cooperation meeting are advanced units in developing rural commodity production and model units in building new socialist villages with Chinese characteristics. We hope that you will provide us with your precious experiences for developing our rich natural resources. We have opened our doors for more economic cooperation. To activate our economy, we would provide you with all the conveniences for economic cooperation which are beneficial to both parties. We share the common goal in accelerating the tempo of the four modernizations.

In the cordial atmosphere, Comrade Bai Dongcai listened to opinions of representatives from Guangdong, Shanghai, Henan, Jiangsu and Tianjin.

Present at the meeting were Pei Dean, Standing Committee member of the provincial CPC Committee and director of the provincial Agricultural Work Department under the provincial CPC Committee, Nanchang City CPC Committee Secretary (Li Aichun), and Deputy Secretaries (Chen Andong), (Jiang Zhongping) and (Dai Fengxi).

SU YIRAN ATTENDS SHANDONG SCIENTIFIC WORK MEETING

SK270153 Jinan Shandong Provincial Service in Mandarin 2300 GMT 25 Aug 84

[Excerpts] A provincial scientific and technological work conference opened in Jinan City 25 August. The conference urged various fronts, industries, and trades throughout the province to rely on making progress in science and technology in enlivening the province's economy.

Su Yiran, secretary of the provincial CPC Committee, presided over the conference. Liang Buting, secretary of the provincial CPC Committee and governor of the province, delivered an important report. Attending the conference were responsible comrades of the provincial CPC Committee, the provincial Planning Commission, the provincial People's Congress Standing Committee, the provincial People's Government, and the provincial CPPCC Committee, including Lu Maozeng, Feng Lizu, Wang Zhongyin, Qin Hezhen, Xu Leijian, Gao Pengwu, Chen Lei, Zhang Zhusheng, Xu Jianchun, Zhang Fugui, Ma Shizhong, Lu Hong, Ma Hanggui, Zhu Qimin, and Zhou Xingfu.

The conference, sponsored by the provincial CPC Committee and the provincial People's Government, is an important meeting which will discuss and make arrangements for the province's scientific and technological work to be carried out and will adopt a resolution on mobilizing and organizing various social circles throughout the province to make progress in science and technology to enliven the province's economy and to fulfill the target of quadrupling the total industrial and agricultural output value by the end of this century.

The conference is chiefly aimed at further implementing the strategic principle of relying on science and technology in economic construction and focusing science and technology on economic construction; studying the province's target, emphasis, and measures in scientific and technological development for the near future; making arrangements and for reforming scientific and technological systems. It also aims to discuss and strengthen the management and employment of the scientific and technological personnel and further implement the policy on intellectuals to push forward as soon as possible the strategic emphasis on science and technology and to accelerate economic construction's pace to ensure the early fulfillment of the target of quadrupling the total industrial and agricultural output value and enabling the province and its people to become wealthy.

Attending the conference were responsible comrades from the provincial-level units concerned; the scientific and technological and economic departments; various key enterprises and higher educational institutions; the central scientific research units stationed in the province and the provincial scientific research units; and the scientific and technological units of various prefectures, cities, and county-level cities -- more than 460 persons in all. All members attending the ninth meeting of the sixth provincial People's Congress Standing Committee also attended the conference as observers.

#### DAZHONG RIBAO ON NEGATING CULTURAL REVOLUTION

SK290655 Jinan DAZHONG RIBAO in Chinese 11 Aug 84 p 1

[Article by Zhang Chaopu of the party rectification work office of the provincial CPC Committee Party School entitled "Negating the Great Cultural Revolution Thoroughly Is One of the Important Tasks in Party Rectification"]

[Text] We know that thoroughly negating the "Great Cultural Revolution," eliminating factionalism, and strengthening the party spirit are not only major problems which we must solve in the course of party rectification, but also important tasks on the current ideological front. Doing a good job of this is of great significance in comprehensively fulfilling the party rectification tasks and further creating a new situation in all fields of work.

As we all know, the four party rectification tasks constitute a united whole and "unifying thinking" is the most important task. In order to realistically unify the ideology of the whole party to the line, principles, and policies defined at the 3d Plenary Session of the 11th CPC Central Committee, we should thoroughly negate the "Great Cultural Revolution" politically. Although the "Great Cultural Revolution" ended 8 years ago, and the decision to negate totally the "Great Cultural Revolution" was reached 3 years ago and defined in the "Resolutions on Certain Questions on the History of the Party Since the Founding of the PRC" which was adopted at the 3d Plenary Session of the 11th CPC Central Committee, the pernicious leftist influence of the "Great Cultural Revolution" has not yet been eliminated. Many of our present problems in the ideological, political, and organizational spheres and in our work-style are caused by the pernicious influence of the "Great Cultural Revolution." So far, problems such as factionalism have not been thoroughly solved but have manifested themselves in varying degrees in some practicalities such as applying for party membership, promoting cadres, readjusting wages, appraising and fixing professional titles, and distributing houses. Just by studying the problems in our units in the course of party rectification, we know that factionalism still exists although it is not obvious. Some units replaced comradely sentiments with factional sentiments. They treated persons of their factions as close friends and kept no secrets from them. As for persons outside of their factions, they treated them as strangers and watched them. Some followed their own factions instead of the party in doing their work.

They helped and cooperated with those who held views identical to their own and refused to coordinate with those who held different views. They agreed with each other openly and resisted each other covertly. In employing personnel, some were pleased with one faction and disgusted with the other. This has seriously corrupted the ideology of party members, affected the unity of the party, weakened the party's fighting strength, and obstructed the implementation of the party's line, principles, and policies. Therefore, we cannot be successful in party rectification without thoroughly negating the "Great Cultural Revolution" and eradicating ideological factionalism. Each and every Communist Party member should exert himself in this regard.

#### JINAN MILITARY REGION CPC FIGHTS FACTIONALISM

HK241440 Beijing RENMIN RIBAO in Chinese 22 Aug 84 p 1

[Report: "The Party Committee of Jinan Military Region Concentrates on Analyzing the Harmfulness of Factionalism in Light of Reality"]

[Text] According to DAZHONG RIBAO, in studying the way to make arrangements for the work of the whole region in continuing to thoroughly negate the "Great Cultural Revolution," satisfactorily carrying out party rectification in offices of the Military Region, and in satisfactorily building the forces, the plenary session of the CPC Committee of the Jinan Military Region concentrated on analyzing closely, in light of reality, the evil influence and the manifestations of factionalism in selecting people and assigning cadres to various posts. The session held that factionalism not only is a major enemy that undermines our internal unity but is also the cause for the bad practice of persecuting and oppressing people of talent and causing them to leave.

The comrades participating in the session recalled the serious harm that rampant factionalism brought to the units during the "Great Cultural Revolution." They said that because at that time society was divided into factions engaged in disputes, and factionalist practices and contentions, the units were also infected with factionalism. Some units first looked into which faction a person belonged before appointing him to a post. They practiced factionalism both in selecting and promoting cadres and organizing leading groups. Other units even proposed the idea that "a faction should not appoint people of another faction to leading posts." In still other units, when one faction was in power, all people who held the same viewpoints as it did were appointed to important posts whether they had the necessary virtues and competence for such posts or not. People of the other faction were denied any opportunity to be appointed no matter how virtuous and competent they were. They were refused any opportunities, were oppressed and forced to move on. According to statistics of a certain unit in the Military Region, in the past the unit had over 150 college graduates in various professional fields, but by the eve of the 3d Plenary Session of the 11th CPC Central Committee, more than 100 of the graduates had been transferred. One of the major reasons for this was the bad practice of factionalism. Political Commissar Jiang Futang said: "We will not be able to keep our talented people if we do not eliminate factionalism."

The comrades from leading organizations of the Military Region listed the major instances of factionalist practices during the present party rectification to show that although factionalist organizations and activities no longer exist overtly, the remnant evil influence of factionalism had not been eliminated. On the contrary, factionalism is still interfering with certain aspects of the work of the units through various excuses and in various new forms. At present factionalism has been conspicuously shown in the following aspects of the work of selecting cadres.

1. The right and wrong of a person or an action is judged by which faction the person belongs to or which faction has done the action. As factionalism has not been eliminated, quite a few people are still used to viewing the right and wrong of people and things with factionalist viewpoints and are still used to assessing a cadre by the faction which the cadre joined or the opinions which the cadre held during the "Great Cultural Revolution." For those of the same factional opinions as theirs, they used one strong point of those people to cover up 100 defects, and for the comrades who held different opinions, they used one defect of those comrades to deny 100 strong points.

2. A person's virtues and competence are judged by which faction he belongs to. Some people have used the pretext of good behavior, "lofty awareness of the line," and "political maturity" during the "Cultural Revolution" and upheld the banner of giving priority to ideological consciousness in assessing the virtues of a person by his faction. They have used "virtues" to deny talent, substituted "virtues" for talent or attached importance only to "virtues" but not to talent.

3. Promotion or demotion and continuous appointment and dismissal of a cadre are determined by which faction he belongs to. This is conspicuously evidenced by the practice of substituting one's feeling for policies, one's likes and dislikes for principles and one's personal opinions for the standards for selecting and promoting cadres. An even more serious bad practice is that some people have pursued the practice in which "all share weal together," "all share woe together," and "when one member of the faction is honored, all other members are also honored."

4. Some people are close to those who are of the same faction and keep a distance from those who are not. These people tell everything and every secret to those who hold the same opinions as theirs, but avoid having anything to do with those who hold different opinions. Some people have used the pretext that it is "easier to work" with someone or "difficult to work" with someone by refusing to appoint people of different opinions and by appointing to important posts those who hold the same opinions. Factionalist feelings always play a role in promoting and employing cadres.

The CPC Committee of the Jinan Military Region has stressed that there should be only one standard for selecting and employing cadres, namely, the standard of "four transformations" of cadres and that we should never be dominated by factionalism. It requires that all the units under it must regard as a major task the elimination of factionalism and strengthening the party spirit. Only by employing people of talent, recommending people of talent be employed, and relying on people of talent can we satisfactorily carry out our units' modernization.

LIU JIE DEFINES HENAN CPC COMMITTEE TASKS

HK250223 Zhengzhou Henan Provincial Service in Mandarin 1230 GMT 24 Aug 84

[Excerpts] Provincial CPC Committee Secretary Liu Jie spoke at the first plenary session of the fourth provincial CPC Committee, which concluded yesterday. He said: Our new leadership collective will be shouldering extremely glorious and arduous historic tasks in the next 5 years. We will by no means disappoint the commission entrusted us by the CPC Central Committee or the hopes of the party members and people throughout the province. Under the leadership of the CPC Central Committee, we will strengthen leadership, study seriously, cultivate a good work style, and work with vigor to lead the party members and people to achieve the goals of endeavor set by this party congress. Comrade Liu Jie spoke on four points:

1. We must cherish and continually strengthen party unity. We must closely unite around the CPC Central Committee and maintain political and ideological unity with it. We must seriously implement the party's line, principles, and policies. This is the basis and guideline for our unity. It is the fundamental guarantee for the victory of the party's cause.

We must uphold the principles of party spirit and resist all factionalist and sectarian interference. We must totally negate the Great Cultural Revolution. The more thoroughly we negate it, the stronger will our party spirit be. We must ensure we are never swayed by factionalist interference and instigation under any circumstances. We must base our efforts on the fundamental efforts of the party and people and regard the overall situation as the most important thing.

2. We must provide careful guidance and do our work in a thoroughly sound way. In the next 3 to 5 years we must strive to achieve the three fundamental turns for the better and grasp three major things well: 1) uphold high standards in promoting party rectification; 2) get an all-round grasp of all reforms, with the stress on urban reforms; 3) double total annual industrial and agricultural output value by 1990 compared with 1980.

Comrade Liu Jie said: We must do a good job in party rectification, setting strict demands in accordance with our tasks and the five acceptance criteria set out in the CPC Central Committee decision on party rectification. In the coming period we should focus on correcting the use of powers for private interests, overcoming bureaucratism, and weeding out people of three categories.

We must be bold in creating new things, and actively guide and stimulate reforms. We must resolutely implement the series of important instructions and regulations of the CPC Central Committee and State Council on urban reform. We must absorb the successful experiences in rural reform and coolly make an all-round analysis of new situations and problems that arise in reform, provide appropriate guidance, and make steady progress. We must avoid imposing uniform methods irregardless of the circumstances.

3. Seriously study. To meet the needs of the four modernizations drive, we must attach great importance to knowledge and information. We must assiduously study Marxism-Leninism-Mao Zedong Thought, the CPC Central Committee's instructions, and modern science, technology, management, and relevant specialized knowledge, to arm our minds.

4. Take the lead in cultivating a good work style. We must persistently seek truth from facts, proceed from reality in everything, and creatively implement the CPC Central Committee's line, principles, and policies.

Comrade Liu Jie said in conclusion: Since the 3d Plenary Session of the 11th CPC Central Committee, under the guidance of the Central Committee's line, principles, and policies, changes exceeding people's expectations have occurred in our province.

Our thinking must catch up with and match the development of the situation. Through practice, we have enhanced understanding and consciousness in following a socialist road with Chinese characteristics and have gained rich experiences in this. It is completely possible to predict that as long as we continue to unwaveringly implement the CPC Central Committee's line, principles, and policies, our country will in the next 3 to 5 years achieve further tremendous successes exceeding people's expectations. In the face of the new situation, we must implement in all work Comrade Deng Xiaoping's instruction that education work should be geared to modernization, the world, and the future. We must base our efforts on Henan, face the whole country, and make an international impact.

#### HENAN CPC CONGRESS ELECTS NEW LEADING BODIES

HK241056 Beijing RENMIN RIBAO in Chinese 24 Aug 84 p 1

[Report: "New Leading Bodies Elected at Henan's Fourth Party Congress"]

[Text] Zhengzhou, 23 Aug (XINHUA) -- The Fourth Henan Provincial CPC Congress was held in Zhengzhou from 13-21 August. The meeting elected the Fourth Henan Provincial CPC Committee, the provincial Advisory Commission, and the provincial Discipline Inspection Commission.

The First Plenary Session of the Fourth Henan Provincial CPC Committee was held on 22 August, which elected the new leading bodies of the provincial CPC Committee. The Standing Committee of the provincial CPC Committee consists of 11 members. Liu Jie is secretary of the Standing Committee; Liu Zhengwei, He Zhukang, and Zhao Di (female) are deputy secretaries; and Song Zhaosu [1345 3564 5126], Zhang Zhigang [1728 1807 0474], Lin Yinghai [2651 5391 3189], Yao Xia, Yao Minxue [1202 2404 1331], Hou Zhiying, and Qin Kecai [4440 4430 2088] are members.

The average age of the new leaders of the Standing Committee is 52.1, 5.6 years younger than the previous one. Most of them are about 50, and seven of them, instead of three in the past, have been educated in universities and colleges, which is 63.6 percent of the total number of members.

The Standing Committee of the newly elected provincial Advisory Commission consists of eight members. Yu Yichuan is chairman and Li Baoguang (female) and Han Jingcao are vice chairmen of this commission.

The Standing Committee of the newly elected provincial Discipline Inspection Commission consists of eight members. Lin Yinghai is secretary and Zhao Linjie [6392 5259 2212] and Sun Renqing [1327 0088 3237] are deputy secretaries.

#### HENAN CADRES PUNISHED FOR AIDING MISCREANTS

HK209343 Beijing RENMIN RIBAO in Chinese 26 Aug 84 p 4

[Report by Zhu Xihua: "Abusing Power To Harbor 'People of Three Categories' Must on No Account Be Permitted -- Henan's Nanyang Prefectural CPC Committee and Puyang City CPC Committee Mete Out Punishment to Shao Zhenye, Wu Zhaoming, and Others"]

[Text] Henan's Nanyang Prefectural CPC Committee and Puyang City CPC Committee have taken disciplinary measures within the party against Shao Zhenye, former secretary of the CPC Committee of the Nanyang City alcohol factory; Wu Zhaoming, secretary of the CPC group and director of the Neihuang County foreign trade bureau; and others, who have shielded the "people of three categories" and put them in important positions.

Shao Zhenye, former secretary of the CPC Committee of the Nanyang City alcohol factory, and others shielded smash-and-grabber Liang Mingwu and put him in an important position. Liang Mingwu originally worked in the Political Department of the CAAC General Bureau.

During the "Cultural Revolution" he severely beat 13 cadres and seriously injured 5 of them. When he returned to work in the Nanyang alcohol factory, the CAAC General Bureau sent the final reports on his mistakes during that period to the factory. However, Shao Zhenye, the then secretary of the factory's CPC Committee, did not pay attention to this after listening to the report, and Huang Xuede, director of the political section, just shelved these materials. During the period of exposure, criticism, and investigation, Wang Qiang, deputy secretary of the CPC Committee, who was in charge of this work and who knew very well about Liang's serious problems, let him engage in the work. In December 1978, under the pretext that Liang Mingwu "has been doing well" since he came to the factory, Shao Zhenye, who did not report Liang's serious problems to the CPC Committee, promoted him through a discussion in the CPC Committee to the post of deputy secretary of the CPC branch of the power workshop. Later he transferred Liang to the post of deputy director of the factory's security section. In July 1981, the Nanyang City Discipline Inspection Committee preparatory group submitted a report to the factory on Liang's mistakes, which was again sent from the CAAC General Bureau, and required the factory to examine and deal with the case conscientiously. However, Shao Zhenye continued to pay no attention to it after reading the material. Later, Liang Mingwu was promoted to director of the security section.

Recently the Nanyang Prefectural CPC Committee decided to give Shao Zhenye a serious disciplinary warning within the party and give Gao Yingde and Wang Qiang, former deputy secretaries of the CPC Committee, and Huang Xuede, former director of the political section, a disciplinary warning within the party. Liang Mingwu was verified as a smash-and-grabber and dismissed from the party.

During the "Cultural Revolution," Wang Dangzhen, member of the party group of the Neihuang County foreign trade bureau, led some people to arrest Yuan Wansen, head of a mass organization of the opposite faction, tied Yuan up, beat him, and persecuted him until he died. Wang also engaged in seizing, fighting, and persecuting some cadres and masses of the commune. After the 3d Plenary Session of the 11th CPC Central Committee, he continued to participate in factionalist activities in the county foreign trade bureau. In 1983, during the experiment in party rectification being carried out in this county, in view of Wang's mistakes, his party branch decided through discussion to persuade him to quit the party. However, disregarding the party's principles and Wang's mistakes, Wu Zhaoming repeatedly visited relevant leaders of the county's CPC Committee and interceded for Wang, demanding Wang be given lenient treatment. He did not submit the report on Wang's mistakes to the county CPC Committee even after stalling for a long time. After the publication of the decision of the CPC Central Committee on party rectification, Wu Zhaoming again violated the party's organizational principles and held two meetings for the temporary CPC branch, which had been established for the purpose of carrying out the experiment in party rectification and which had already been dismissed, in order to force his opinion on Wang's case, which was "to let Wang write another self-criticism and change the decision on persuading Wang to quit the party into removing him from his position as a party group member and placing him on probation within the party." Then he submitted this decision to the county CPC Committee Organizational Department. On 6 December the same year, the county CPC Committee decided to persuade Wang Dangzhen to quit the party and issued a circular on this. Wu Zhaoming again refused to carry out this decision right away under the pretext that "Wang Dangzhen is not at home" and continued to intercede with the main responsible comrade of the county CPC Committee on Wang's behalf. Only after he was repeatedly urged by the county CPC Committee did he announce this decision at a meeting for all party members on the last day of that month.

After an investigation with the assistance of the Neihuang County CPC Committee, the Puyang City CPC Committee decided to dismiss Wu Zhaoming from his posts within the party. Wang Dangzhen was verified as a smash-and-grabber and dismissed from the party, instead of being persuaded to quit the party.

MAO ZHIYONG INSPECTS HUNAN JOINT VENTURE

HK270353 Changsha Hunan Provincial Service in Mandarin 2300 GMT 26 Aug 84

[Excerpt] According to HUNAN RIBAO, on 23 August responsible comrades of the provincial CPC Committee and government currently attending conferences in Yueyang, together with secretaries of prefectural and city committees, commissioners, and mayors, enthusiastically visited a joint enterprise run by the Yueyang City Yuedong hotel and the Changsha City Jiuruzhai store. Governor Liu Zheng introduced (Huo Bingqian), the old master craftsman of Jiuruzhai, to the others.

Provincial CPC Committee First Secretary Mao Zhiyong said: Master craftsman (Huo) has been processing nonstaple foods for over 50 years. He should take on more apprentices in Yueyang.

After the manager of the Yueyang City Catering Services Company introduced the situation in the joint enterprise, Comrade Mao Zhiyong said: This method is very good and should be popularized. Comrade Liu Zheng then said: A joint venture of this type can lead forward the development of the nonstaple food industry.

Yueyang has ample sources of material for the processing of nonstaple foodstuff, but it lacks technical processing skills and produces very little variety. Jiuruzhai of Changsha is a nonstaple foodstuff processing enterprise renowned both in China and abroad. It has ample technical forces. Following the formation of the joint enterprise, the Yuyang Yuedong Hotel provided processing and business premises and organized material supplies, while Jiuruzhai sent 15 technicians and management personnel to jointly operate the venture with the hotel. The profit is distributed according to the proportion stipulated in the contract.

GUILZHOU URGES EXPOSING PEOPLE OF THREE CATEGORIES

HK290346 Guiyang Guizhou Provincial Service in Mandarin 2300 GMt 27 Aug 84

[Report on 28 August GUILZHOU RIBAO commentary: "Give People of Three Categories No Place To Hide"]

[Text] The commentary says: One of the important tasks to be completed in the current party rectification is to purify the organizations; namely, we are to consolidate the organization and purify the contingent of party members on the basis of unifying ideology, rectifying party style, and strengthening party discipline.

The resolution adopted by the CPC Central Committee on party rectification pointed out that the weeding out of people of three categories is the crux of purifying the organization. People of three categories have opposed and brought injuries to the party. If they are not thoroughly weeded out, they will become a grave hidden danger in the party.

People of three categories are the products of the Cultural Revolution. To do a good job in weeding out people of three categories, it is imperative to thoroughly negate the Cultural Revolution, and to see the true features of these people. They are very dangerous. They have a complete system of reactionary ideology, a whole set of inflammatory and subversive political ideas, and a whole set of cunning political tactics. They are good at changing their features, speculating, currying favor, and worming their way into others' confidence. If we should lower our guard against them, they could worm their way up to the leading posts and become a great hidden danger. Therefore, we should try by no means treat them lightly.

People of three categories rose to power on the strength of leftist errors and factionalism during the Cultural Revolution. Now they are still taking refuge in leftist errors and the remnants of leftism. If they are not resolutely weeded out, the negation of the Cultural Revolution cannot be said to be thorough.

At present, the true features of people of three categories have not been exposed in some places, and their notorious records have not been fully understood by people. Some of them are even being shielded, and the work in weeding out people of three categories has met with resistance of various descriptions. We must further eliminate leftist influences and the remnants of leftism on the basis of thoroughly negating the Cultural Revolution and have a full understanding of the necessity of weeding out people of three categories. It is imperative we firmly grasp and do a good job in this work with a high level of consciousness, so as to give people of three categories no place to hide.

KUNMING MILITARY REGION RECTIFIES PARTY STYLE

OW290343 Beijing XINHUA Domestic Service in Chinese 0816 GMT 26 Aug 84

[By reporter Wang Zhiyun and correspondent Zhou Xingzhu]

[Text] Kunming, 26 Aug (XINHUA) -- The CPC Committee of the Kunming Military Region has achieved remarkable results in rectifying party organizations and correcting mistakes, by conscientiously grasping matters of overall importance.

Since the end of July, party rectification work by the party committee and various organs of the Kunming Military Region has gradually entered the stage of rectifying party organizations and correcting mistakes. To link this work closely with the fulfillment of the party's general task and objective, and the strategic mission of building modern and regular Armed Forces, the party committee distributed a circular to all subordinate PLA units to solicit their opinions. It also ran a training seminar for cadres, at and above divisional level, and backbone party members of various organs, launched an intensive campaign of heart-to-heart talks, and sent its representatives to visit local government organizations to acquire suggestions from all quarters.

After doing this, the party committee held as many as six meetings attended by its Standing Committee members. At the meetings, they studied the 700-plus opinions and suggestions made by the masses, and decided that the following questions should be grasped first in rectifying party organizations and correcting mistakes: 1) Resolutely eliminate the "left" influence, break with old traditional ideas, and implement the instructions of the CPC Central Committee and the Military Commission in a creative way, by seeking truth from facts. 2) Make further efforts to conduct education in the complete negation of the "Great Cultural Revolution" and the eradication of factionalism to enhance party spirit and the sense of organization and discipline. 3) Go all out to improve the work style of various organs. Currently, attention should be focused on eliminating bureaucracy and unhealthy practices, such as taking advantage of one's power to seek personal gain. 4) Speed up the pace of making cadre ranks more revolutionary, younger in average age, better educated, and more professionally competent. In particular, it is imperative to quicken the pace of making them younger and better educated, to speedily solve the problem of the age and education of cadre ranks being incompatible with their tasks.

In dealing with these matters of overall importance, the party committee of the Kunming Military Region took corrective action immediately, where possible. Where questions of policies were involved, it tried to create conditions for corrective action to be taken. At the suggestion of the masses, it immediately grasped education in the negation of the "Great Cultural Revolution", and in the eradication of factionalism. In the meantime, it investigated and dealt with more than 30 typical cases, in which state assets had been wasted due to bureaucratic style and in which some leading cadres had gained personally by taking advantage of their position and power. After conducting thorough investigation of these cases, it dealt with them individually.

To speed up the pace of making cadre ranks more revolutionary, younger in average age, better educated, and more professionally competent, the party committee of the Kunming Military Region has worked out a 3-year plan, which is being put into practice. Now, more than 20 young cadres, who are graduates of local or military universities or colleges, have been promoted to leading positions at corps and divisional level. Principal leading comrades of this Military Region have been to western and southern Yunnan and the Lao Shan and Zheyin Shan frontiers to inspect the cadre ranks there, and to look for competent people to promote to higher positions. In addition, the party committee of this military region has recently arranged with the Yunnan and Guizhou governments for the local education departments to give remedial education to more than 20,000 PLA cadres.

Overcoming bureaucracy is one of the questions the party committee of the Kunming Military Region is striving to solve at the present stage of rectifying party organizations and correcting mistakes. Last June, a decision was made to close down 13 provisional organs. Now this work is complete, and the problem of over-employment in the jobs available has been solved to some extent. At the same time, the various organs of this Military Region have also grasped typical cases, looked into their causes, summed up experiences, and drawn lessons from them. For example, the headquarters of the Military Region has discovered and dealt with 17 cases of bureaucracy. The Logistics Department has discovered eight different manifestations of bureaucracy and is discussing measures to be taken to eliminate them.

CORRECTION TO HEBEI'S XING ON CULTURAL REVOLUTION

The following passage completes the item headlined "Hebei's Xing Chongzhi on Cultural Revolution" published in the 28 August China DAILY REPORT on pages R 3-5:

Sixth, we must clearly check up on the "people of three categories." Through thoroughly negating the "Cultural Revolution," we wish to eliminate obstructions and resistance, to quicken the pace of our examination work, and to work hard to basically check up on all the major questions about the investigation targets and cadres who made serious mistakes. As for those who made serious mistakes but have still not carried out examination, we must encourage them to examine themselves. Those capable of coming to a conclusion must come to one. This is good preparation for the registration of party members.

**III. In Thoroughly Negating the "Cultural Revolution" We Must Stress Education by Positive Example and Raise Ideological Consciousness.**

Regarding many comrades, the reason they have previously been unable to thoroughly negate the "Cultural Revolution" lies mainly in a problem of understanding. We must, through the study of documents and through carrying out education by positive example, cause these comrades to conscientiously eradicate "leftist" influence, to correct mistaken viewpoints, to eliminate factionalism, and to strengthen party spirit. Even unit must, from beginning to end, stress study, especially of the resolution of the sixth plenary session. They must truly use the spirit of the resolution to arm everyone's ideology. On this basis, they should use meetings to exchange experiences, seminars and meetings to report what one has learned at work, forums, and other such methods, organize and mobilize the masses, say what is on their minds, link up with reality, conscientiously conduct discussions, expose the unit's problems of being unable to negate the "Cultural Revolution" and resolve these problems well. We must use the method of exposing the facts, discussing the harm, speaking logically, and concretely analyzing concrete problems to resolve all sorts of incorrect ideological understandings. We must not endlessly raise them to a higher plane of principle or randomly put labels on things. We must not use "Cultural Revolution" methods to negate the "Cultural Revolution." We must continually and widely develop the activity of heart-to-heart talks, link up our thoughts, eliminate feelings of estrangement, and promote unity. Leading cadres at all levels must take the lead in stressing both understanding and learning from experience, in summing up experiences and lessons, in thoroughly negating the "Cultural Revolution," and truly become a model for all. They must bring fully into play the roles of the basic level party branches and groups and, regarding education in thoroughly negating the "Cultural Revolution," they should organize well, lead well, be thorough, and do a solid job.

HEILONGJIANG'S LI LIAN ON WRITERS' DUTIES

SK281135 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 27 Aug 84

[Text] This morning, at the provincial conference on literary and artistic creation, Li Lian, secretary of the provincial CPC Committee, said: While reflecting the problems in reform, writers must proceed from the realities of life, manifest the positive background of society, and reflect the trend that the reform will certainly succeed.

Comrade Li Lian said: In the face of the rich, colorful, and vivid real life and the fervent hope of the masses, whether or not the writers can actively join the life of the masses, can share a common fate with them, can exploit their own source material of literature and art, and can use their own creative works to enrich the socialist spiritual civilization aiming at communist ideas will be a test and challenge for them and also an important criterion for judging whether their literary and artistic works are subordinate to and serve the general task and goal of the party. In order to authentically reflect the life of the new socialist period, writers cannot but depict in their works how the people's life develops in the course of reform. Only by profoundly reflecting the struggles waged in the course of reform between the new and the old things, between progress and retrogression, and between making innovations and following the beaten path can literary and art works produce an earthshaking influence.

Comrade Li Lian stressed: While reflecting the problems, struggles, and setbacks in reform, writers must proceed from the realities of life, manifest the positive background of the entire society, reflect the trend that reform will certainly succeed, and indicate the essence of the spirit of the times and the objective law of development of things to arouse and inspire the masses' initiative in joining the socialist construction and the reform of economic system and encourage the masses to struggle for the attainment of the party's general task and goal.

With regard to ways of further enriching the literary and artistic works and improving their quality, Comrade Li Lian said: Both veteran and new writers should once again familiarize themselves with the realities of life, understand the livelihood restudy and renew their knowledge. In their practical work, writers should pay attention to handling the following relationships:

1. The relationship between the elimination of leftist ideas and the adherence to the four fundamental principles. Together with the comrades on all other fronts, our province's writers should unify the elimination of leftist ideas with the adherence to the four fundamental principles, should oppose both the leftist and rightist ideas, and should maintain ideological and political unanimity with the CPC Central Committee.
2. The relationship between receiving foreign culture and resisting the corrosive influence of bourgeois ideas. We should not only be bold in receiving foreign culture, but also should be bold in preserving the purity of the proletariat so as to make our literary and artistic work more wholesome, vivid, flourishing, and dynamic.
3. The relationship between respecting the individual characters of writers and the practice of learning from the masses. As engineers of the people's soul, the writers must always bear in mind their duty to the people and the society, and give consideration to the social effects caused by their works. Writers and the large number of literary and artistic workers should go thoroughly into the realities of life through many channels and with many forms to actually see how the masses struggle against difficulties, to learn from the masses' spirit, and to understand their thinking.

4. The relationship between the adherence to the orientation of serving the people and socialism and the implementation of the principle of letting a hundred flowers blossom and a hundred schools of thought contend. Only when we advocate free development of artistic creation with varying forms and styles and encourage the different schools of thought to discuss freely their artistic theories and viewpoints will it be possible to attain the goal of letting literature and art serve the people and socialism.

#### HEILONGJIANG DESCRIBES GOOD FOREIGN TRADE SITUATION

SK290613 Harbin Heilongjiang Provincial Service in Mandarin 1000 GMT 28 Aug 84

[Excerpts] In the course of party rectification, the provincial Department of Foreign Economic Relations and Trade conscientiously drew lessons from loss and waste caused by bureaucratic practices and adopted effective measures to prevent bureaucratic practices, thus creating a new situation at work.

Responding to the past few years' lessons when the province suffered losses by blindly running businesses and building factories in spite of reality, the department decided not to hurriedly make any major decision from now on without careful investigation and scientific appraisal. Our province held an export commodity exhibit in Hong Kong last July. Thanks to full investigations, studies, and attention to international market changes, our export sales volume exceeded 31 million yuan in half a month, surpassing the expected sales volume by a big margin.

The department also scored better economic results by firmly attending to reducing domestic and foreign debts, checking on warehouses, and handling overstocked commodities. As of the end of July, a total of 5 million yuan owed by foreign countries had been paid back to the province, accounting for 70 percent of the total debt repayment task. The export sales volume of the province showed a 70-percent increase over the corresponding 1983 period and losses in foreign trade fell by 73 percent from the same 1983 period.

#### LIAONING'S GUO FENG RECEIVES OLYMPIC MEDALISTS

SK280723 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 27 Aug 84

[Excerpts] This afternoon, the Liaoning Provincial CPC Committee and People's Government as well as the Shenyang City CPC Committee and People's Government held a rally to welcome the provincial athletes who triumphantly returned from the 23d Olympic Games.

Attending the rally were leading comrades of the province, Shenyang City, the Shenyang PLA units, and the Liaoning Provincial Military District, including Sun Weiben, Zhang Tiejun, Chen Suzhi, Shen Xianhui, Zhang Xincun, Liu Yiyun, Zhu Chuan, Xie Huangtian, Zhao Shi, Liu Wen, Gu Jingxin, Feng Yousong, Zhang Zhiyuan, Yu Jingqing, Yue Weichun, Li Changchun, Ren Jianxi, Gao Ke, and (Gao Xiaozhong).

Zhang Zhiyuan, vice governor of the province, presided over the rally. (Li Zhimin), vice chairman of the provincial Physical Culture and Sports Commission, delivered a speech and briefed the welcoming masses on the athletes' glorious achievements. Young Pioneers presented flowers and banners to the athletes. Cheng Jinxiang, secretary general of the provincial People's Government, read the decision adopted by the provincial People's Government on awarding athletes and coaches who scored marked achievements in the 23d Olympic Games. Comrade Sun Weiben, secretary of the provincial CPC Committee, addressed the rally. (Yao Junyuan), representative of the athletes, delivered a speech. Also making congratulatory speeches at the rally were the provincial Trade Union Federation, the provincial CYL Committee, the provincial Women's Federation, the provincial Scientific and Technological Association, the provincial Federation of Literary and Art Circles, the provincial Federation of Returned Overseas Chinese and the provincial Fellowship Association of Taiwan Compatriots.

In conclusion, Guo Feng, first secretary of the provincial CPC Committee, and Li Tao, chairman of the provincial Advisory Commission, received the medalists and coaches in the rally hall lounge and urged them to guard against arrogance and rashness and to set forth higher standards and strict demands for themselves in thorough training in basic skills at ordinary times so as to score better achievements in response to the ardent expectation of the party and the people and to make a greater contribution to making China strong.

LIAONING DETAILS COOPERATION WITH SICHUAN

SK290427 Shenyang Liaoning Provincial Service in Mandarin 1030 GMT 28 Aug 84

[Text] After having a wide-ranging consultation and exchanging views, leading comrades of the Sichuan and Liaoning provincial people's governments recently reached agreement in Shenyang on ways to comprehensively organize long-term economic and technological cooperation between the two provinces.

Both Sichuan and Liaoning provinces have vast territory, large populations, and abundant natural resources; each also has its special features for economic development. With favorable material and technological bases, there are good prospects for organizing economic and technological cooperation between them. Through consultations, the two provinces, proceeding from their respective conditions, will join efforts to tap potential in various fields, rationally exploit natural resources, positively organize economic integration and technological cooperation, exchange talented personnel, and compensate for each other's deficiencies in supplies from their own surpluses.

The two provinces have strengthened cooperation in agriculture, industry, energy resources, communications, exchange of talented personnel, scientific research, and commerce and trade, and have signed some cooperative projects. According to the agreement, Liaoning should provide Sichuan with technology and equipment and cooperate with it to develop the iron and steel industry, exploit phosphate rock, and expand the wine-making industry. Meanwhile, Sichuan should provide Liaoning with nonferrous metal and wine-making technologies. Each side should provide the other with its local, special, agricultural sideline, and marine products. They also reached agreement on establishing a river-to-ocean transport fleet. They maintained that Sichuan and Liaoning already have the conditions for developing river-to-ocean transport. Therefore, concerted efforts should be made to open up river-to-ocean transport line as soon as possible, after conducting a trial operation and drawing up plans for through transport.

BEIJING-BASED FOREIGN REPORTERS VISIT QINGHAI

HK280629 Xining Qinghai Provincial Service in Mandarin 1100 GMT 26 Aug 84

[Text] Yesterday afternoon, Governor Huang Jingbo met with a group of foreign correspondents stationed in Beijing, reported to them on how Qinghai is carrying out its economic construction, and gave detailed answers to the questions which interested the correspondents. Governor Huang Jingbo gave a warm welcome to the group of correspondents who had come to Qinghai to visit and to report to it. He said: Ladies and gentlemen, by reporting on Qinghai and giving publicity to the province, you will strengthen the friendship between our province and various countries and make the contacts between them more frequent.

Vice Governor Yin Kesheng was also present at the meeting. After the meeting, Governor Huang Jingbo held a banquet to entertain the foreign correspondents.

The group of foreign correspondents consisted of correspondents dispatched by 19 news agencies of the following countries: The United States, Japan, Canada, the FRG, Britain, Czechoslovakia, Australia, and Spain. During their 3-day stay in Qinghai, they had visited Qinghai Hu, the Taer Monastery, the Dongguan Mosque in Xining, the (Jiayong) Brigade under the (Daotanghe) Commune in Gonghe County, the Qinghai first machine tool plant, the carpet factory under the provincial woollen textile company, (Xibeiyan) village at Pengjiazhai in Xining, and the food and small agricultural products market in Xining. In addition, they had visited peasant households and herdsman households, watched horse racing, and asked questions about the reforms in the factories.

The group of foreign correspondents, accompanied by the responsible persons of the Information Department of the Foreign Ministry and the departments concerned, arrived in Qinghai on 22 August. They left Xining by train this morning. Ma Shiji, secretary general of the provincial People's Government, and Ma Zhiche, deputy secretary general of the provincial People's Government, saw them off at the railway station.

QINGHAI CONFERENCE DISCUSSES ECONOMIC CRIMES

HK280627 Xining Qinghai Provincial Service in Mandarin 1100 GMT 26 Aug 84

[Text] According to QINGHAI RIBAO, not long ago, the provincial CPC Committee's guidance group for cracking down on serious economic crimes held a telephone conference. Yan Wenjun, member of the Standing Committee of the provincial CPC Committee and head of the provincial CPC Committee's guidance group for cracking down on serious economic crimes, delivered a speech at the conference.

The conference affirmed the achievements made by the province in cracking down on economic crimes since the beginning of this year, the way in which Haidong Prefecture and the Xining area had cracked down on perpetrators of serious economic crimes, and their basic experiences.

The conference called on all the units and localities in the province to earnestly strengthen leadership, to organize strong forces to earnestly popularize experiences, to ferret out those skillfully hidden perpetrators of economic crimes, and to earnestly solve the problems of being softhearted, of being slack in cracking down on economic crimes, and of [words indistinct].

Secretary Ma Wanli of the provincial CPC Committee also spoke at the conference. He said: Remarkable achievements have been made in cracking down on serious economic crimes.

On the whole, the achievements are quite satisfactory. However, the development is not balanced. That is to say, there is still the problem of [words indistinct]. Many skillfully hidden perpetrators of serious economic crimes have not been ferreted out. In addition, many cases have not been thoroughly investigated and handled. Thus, we should be aware of both the achievements and the inadequacies.

Comrade Mao Wanli pointed out: The struggle against serious economic crimes is one of the important strategic measures for effecting a turn for the better in party style and social customs. The leaders of all units should personally take command, personally mount offensives, put the problem of cracking down on serious economic crimes on the agenda again, inspect the work at regular intervals, summarize experiences, and make arrangements. In the event that some comrades responsible for practical work [words indistinct] are unable to handle the difficult, important cases, the autonomous prefec-tural CPC committees, the city CPC committees, the prefectoral CPC committees, and the county CPC committees should take them over and solve the problems one by one.

Comrade Ma Wanli also called on all units to refer to the experiences of the Xining area and of Haidong Prefecture and to strive for even greater achievements.

#### XINING CITY ADOPTS NEW WORKER RECRUITING METHODS

HK281204 Xining Qinghai Provincial Service in Mandarin 1100 GMT 27 Aug 84

[Excerpts] In recruiting workers throughout the city this year, Xining City recently decided to adopt a new method of publicly recruiting workers through the voluntary application for candidature for examinations, conducting an all-round examination in the moral, intellectual, and physical aspects, and employing those who are good. This new method of recruiting workers consists of five points:

1. A unified examination will be conducted. Unmarried young people awaiting employment who were graduates of junior or senior middle schools before 1983 and who are between 16 and 25 years old can voluntarily apply to be examination candidates.
2. The method and requirements of applying for the examination. With the labor service companies of all enterprises and institutions or educated youth teams as the units to handle applications, the applicants must produce their residence cards, certificates of awaiting employment, and school certificates at the time of application. Where no labor service company or educated youth team has been established, units or neighborhood offices will assign special persons to handle applications.
3. The time, scope, and method of examination. Examinations will be conducted at the end of September. Examinations will be conducted respectively for junior and senior middle school graduates. Tests will be set and the examinations conducted in a unified way. The tests will include languages, mathematics, and politics.
4. The method of recruitment and recommendation. In accordance with the requirements of the units planning to recruit workers, the unified examination office for recruiting workers will recommend to units planning to recruit workers the successful candidates in order of their performance in the examination and in accordance with the nature of the employment.
5. It is necessary to strictly observe discipline in the course of recruiting workers and conducting the unified examination.

SHAANXI HANDLES FINANCIAL IRREGULARITIES

OW280055 Beijing XINHUA Domestic Service in Chinese 0020 GMT 25 Aug 84

[Text] Xian, 25 Aug (XINHUA) -- In the course of rectifying the party organizations, the Shaanxi Provincial Communications Department has seriously handled 336 cases of financial and economic irregularities.

Owing to organizational indiscipline, the Shaanxi Provincial Communications Department's auditing work used to be superficial. During the recent party rectification, the department's three investigation groups operating in 37 units in northern, southern, and central Shaanxi found 336 cases of financial irregularities, including corruption, theft, withholding funds for road maintenance, inflating construction costs, and others; a total of over 6 million yuan was involved.

After verifying the facts, the Communications Department's leading party group dealt with the cases one by one. To handle the cases promptly and efficiently, members of the Department's leading party group who supervised the investigation and leaders of various departments and units divided and shared the responsibilities, setting time limits for themselves in handling each case. Consequently, all the cases were handled according to schedule. They have now recovered 4,428,000 yuan, and those personnel guilty of corruption, accepting bribes, and negligence have either been punished according to law or according to party or administrative disciplinary measures.

INTELLECTUAL POLICIES STRESSED IN SHAANXI

HK250257 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 24 Aug 84

[Excerpts] After discussion, groups recently sent by the provincial CPC Committee to check on the implementation of policies on intellectuals in various parts of the province held it is essential to make ceaseless efforts to implement these policies and grasp the work to the end.

During their discussion the comrades held: The province has begun implementing the policies on intellectuals. Now is the key moment for solving problems. Many problems still have to be faced and solved to ensure that the work of checking on the policies' implementation can continue to proceed in depth, as follows:

1. It is necessary to further enhance understanding and continue to eliminate leftist influence. At present, although various localities have solved a number of problems, there are still some vague ideas and obstacles in the thinking of some cadres and masses. Some units have made only slow progress in policy implementation and some have even done nothing. It is therefore necessary to publicize the party's policies on intellectuals with great fanfare, strive to enhance the understanding of the leaders at all levels, and eliminate the idea that the work has been almost completed and fear of difficulty. We must guard against and correct complacency and slackness and ensure the work of checking on implementation can develop in depth.

2. It is necessary to augment and strengthen the leadership groups for implementing policies on intellectuals, and their executive organs. According to the central instructions, implementation of policies on intellectuals must get on the right track within 2 to 3 years. The organs checking on implementation of these policies must be strengthened, not weakened. The focus should be on solving problems up to the end of October, and concentrated checks should be carried out well from beginning to end. This work must then be made a regular affair.

3. It is necessary to continue to grasp well solving problems one by one. We must basically solve by the end of September a number of key problems raised by letters and visits from intellectuals.

4. The focus in checking on implementation of policies on intellectuals must be on employing them and bringing their role into play. We must ensure they are properly employed according to their qualifications and talents.

5. Leaders at all levels must personally get to work on this issue. We must institute a responsibility system among the leading cadres and ensure problems are solved by the leaders at the level at which they arise.

SHAANXI SPECIALIZED HOUSEHOLD CASE DEBATED

HK280759 Xian Shaanxi Provincial Service in Mandarin 1130 GMT 27 Aug 84

[Excerpts] (Yang Huai), head of a transport specialized household in (Tangzu) Village, (Feiteng) Town, Guyuan County, Ningxia Hui Autonomous Region, was deliberately obstructed by an automobile repair station in Xianyang during his work. This case was accepted and heard by Xianyang City People's Intermediate Court, which ruled in favor of (Yang Huai).

On 31 December last year, (Yang Huai) was asked by the personnel of Xianyang automobile repair station to pay a road maintenance charge for January this year, when he was on his return trip after delivering and unloading cargo to a client in Xian in Shaanxi. In connection with the regulations of the Ministry of Communications on prohibiting the levying of road maintenance charges between provinces and prefectures, (Yang Huai) repeatedly made clear the situation. Instead of listening to his opinion, the personnel peremptorily wanted to hold his automobile in custody. Having no choice, with tears in his eyes he paid the so-called road maintenance charge of 200 yuan, which was all the money he had at that time. Upon returning to Guyang, he told a local automobile repair station about how he was forced to pay the road maintenance charge in Xianyang. Acting in accordance with the regulations of the state, the comrades of the local automobile repair station showed him relevant documents and wrote a letter for him to ask for repayment of the charge. However, the Xianyang automobile repair station repeatedly refused to do so on a groundless pretext.

The editor of the station has added a note on the case. It said: The Xianyang People's Intermediate Court has ruled that specialized household head (Yang Huai) of Ningxia won the lawsuit. Though it is a good deed, the method of handling the case was still far from perfect, judging from the viewpoint of resolutely protecting the legitimate rights of individual laborers.

Though (Yang Huai) has won the lawsuit of suffering deliberate obstruction and has gained moral support, he has spent more than 300 yuan on this matter. This is because in order to recover the erroneously levied 200 yuan road maintenance charge, he went back and forth several times during the 5 month period and spent money and time on travel. It is a pity that the further economic losses of (Yang Huai) have not been reasonably compensated. No wonder some people say that it is obviously unfair he was given an injection of glucose to replace a pint of blood.

We call on the political and legal departments to resolutely protect the legitimate rights of specialized households in accordance with the law.

200 YEARS OF TAIWAN-U.S. TRADE TIES MARKED

OW290427 Taipei CNA in English 0318 GMT 29 Aug 84

[Excerpts] Taipei, Aug 28 (CNA) -- Two hundred years ago, trade between China and the United States began with the arrival of the first American ship, the Empress of China, at Whampoa, the harbor of Canton, Aug 28.

Today, the United States is the largest trade partner of the Republic of China [ROC], and this nation ranks sixth among America's more than 100 trading partners.

In 1983, ROC-U.S. trade was valued at U.S. dollar 15.9 billion. And in the bicentennial year of 1984, it is expected to further grow to U.S. dollar 21 billion, with the ROC enjoying a surplus of nearly U.S. dollar 9.8 billion. In the first half of this year, ROC exports to the states were worth U.S. dollar 7.3 billion and U.S. dollar 2.5 billion was tallied in imports.

Since the beginning, ROC-U.S. trade has been maintained in a climate of good and mutually-beneficial relations. Based on this sound foundation, and through hard work by businessmen and the two governments, trade between the two nations has kept growing rapidly during the past many decades, especially after signing the Sino-American Commerce and Navigation Treaty in November 1946.

Following changes in the world trade situation and metamorphosis in the industrial structure in this country, the ROC started to enjoy its surplus in its trade with U.S. in 1968, turning the tables for the first time since the Americans gained their first U.S. dollar 30,000, profit in trade with Chinese people 200 years before.

Greatly benefiting from the U.S. generalized system of preferences, ROC exports to the U.S. increased rapidly in the past decade and the growing imbalance in trade leaves the ROC fourth among U.S. trade partners with whom the U.S. suffers trade deficits, the first three being Japan, Canada, and Mexico in that order.

At present, the U.S. is the ROC's largest export market and its second largest source of imports following Japan. And Chinese merchandises exported to the American market have been expanded to cover machinery, petrochemicals, electronics and electrical products, textiles and garments.

To improve the trade situation between the two nations, the ROC has done its best in adopting many measures to encourage American traders to export more to this country and their Chinese counterparts to increase imports from the States.

The Chinese Government has sent nine "buy American missions" to the States during the past several years and will dispatch four more missions this year. The ROC has assured the American authorities that it will reduce import duties on 59 more U.S. products that have a competitive advantage, and it will lift the 10 percent surcharge tax, to give wider access for American products to markets here. It will also open for import hundreds of controlled items in the years ahead.

The ROC has also taken the initiative on a policy to stop commercial counterfeiting by enacting new laws and stiffer penalties against violators.

The close trade relationship between the Republic of China and the United States today ranks among the outstanding success stories in the history of international trade.

However, the greatest achievements from which the two nations have both been beneficiaries during the past 200 years of trade in commercial goods are the exchange of ideas, the building of solid friendship, and the enrichment of exposure to each other's culture. The continued practice of free trade and honesty in cooperation, such as the Republic of China and the United States have pursued, will help overcome some remaining trade problems, and their friendly relations in various fields will further advance in years ahead.

#### CHIANG CHING-KUO RECEIVES U.S. CONGRESSMEN

OW281435 Taipei CNA in English 1426 GMT 28 Aug 84

[Text] Taipei, Aug 28 (CNA) -- President Chiang Ching-kuo received United States Reps. William H. Boner, D-Tenn., and Donald K. Sundquist, R-Tenn., at the presidential office Tuesday afternoon.

The president extended his warm welcome to the two visiting dignitaries, saying that their visit will help promote their understanding of the government and people of the Republic of China. In the course of their meeting, they exchanged opinions concerning the current relations between the two countries. President Chiang also expressed appreciation for the friendship and support accorded by the two U.S. congressmen toward this country. The visit was accompanied by Vice Foreign Minister Ding Mou-shih.

#### PANAMA'S DEL VALLE HOLDS TALKS IN TAIPEI

Confers With Chiang Ching-kuo

OW281447 Taipei CNA in English 1418 GMT 28 Aug 84

[Text] Taipei, Aug 28 (CNA) -- President Chiang Ching-kuo received Eric Arturo Del Valle, first vice president-elect of the Republic of Panama, and Jose Bernardo Cardenas de Icaza, first vice chairman of that country's Republican Party at the presidential office Tuesday.

Extending hearty welcome to his guests, President Chiang also congratulated Del Valle for his having been elected Panama's vice president. The president then held talks with the two Panamanian dignitaries on matters of importance between the two countries. He pointed out that though the Republic of China and Panama are far apart geographically, friendship and cooperation between the two nations are close. He added that he believes the two guests' visit this time will not only help them better understand the real situation here but also help strengthen and expand traditional friendship between the two countries.

In response, Del Valle and Cardenas thanked President Chiang for taking time to meet them and for the hospitality they have been enjoying during their visit. They also said that they admire the progress this nation has made in different aspects of society.

President at Tuesday's meeting were Vice President Lee Teng-hui, Shen Chang-huan, secretary general to the president, Foreign Minister Chu Fu-sung, and Panama's ambassador to this country, Jose Maria Serrano Tejeira.

Lee Teng-hui Hosts Banquet

OW281455 Taipei CNA in English 1436 GMT 28 Aug 84

[Text] Taipei, Aug 28 (CNA) -- Vice President Lee Teng-hui and Mrs Lee gave a dinner party for visiting Vice President-Elect of Panama Eric Arturo Del Valle and his wife at the Taipei guest house Tuesday.

The party was attended by Jose Bernardo Cardenas de Icaza, first vice chairman of Panama's Republican Party, Jose Maria Serrano Tejeira, Panama's ambassador to the Republic of China, and their wives. Some ranking ROC officials, including Tsiang Yien-si, Shen Chang-huan, Ma Chi-chuang, Chu Fu-sung, Chang Tsu-yi and Lin Chin-sheng, together with their wives, were also present.

In a speech, Vice President Lee said the people of the Republic of China admire very much Panama's dedication to maintaining world peace and international justice, particularly in Central America. The ROC people also feel proud of having as friends Panamanian people who are diligent and who enjoy a democratic way of life and a prosperous economy, Lee added.

Lee said he believes Panama will make greater progress in politics and economy with Del Valle as vice president. He termed Del Valle an outstanding statesman and successful entrepreneur.

#### SAUDI KING RECEIVES TAIWAN PILGRIMAGE MISSION

OW281305 Taipei CNA in English 1022 GMT 28 Aug 84

[Text] Jidda, Aug. 27 (CNA) -- King Fahd of Saudi Arabia has said the best relationship between any two countries in the world is that between the Kingdom and the Republic of China (ROC).

The monarch made the remarks when he received Monday afternoon the official Chinese pilgrimage mission led by Pai Sui-chang at the royal court in Jidda. The royal audience was also attended by ROC Ambassador to the Kingdom Dr. Tsai Wei-ping and Prince Salman ibn 'Abd al-'Aziz, governor of Riyadh.

Pai first conveyed ROC President Chiang Ching-kuo's regards to King Fahd. The king immediately asked Pai to convey his best respects and regards to President Chiang.

King Fahd then said the relations between the Kingdom and the ROC are the best one among any other countries in the world, adding "we have to work together to keep them going on forever." Regarding the cooperation between the two countries, King Fahd said he knows there is close cooperation in various fields, which is beneficial to both countries, "and we hope it will continue forever."

The king also noted he appreciated very much the ROC Government's echoes and supports for the Kingdom's policy in recent years. He then reiterated the relationship between the two countries is excellent.

On behalf of the Muslims in the ROC and of the official Chinese pilgrimage mission leaders in the past years, Pai paid best respects to the king. Before departure, the pilgrimage mission was granted to take pictures with the king. The ROC pilgrimage mission had been received by Prince Majid ibn 'Abd al-'Aziz, governor of Mecca, Shaykh 'Abd al-Wahhab 'Abd al-Wasi, minister of pilgrimage and endowments, and 'Abdallah Naseef, secretary general of World Muslim League, during the last four days.

#### OFFICIAL SAYS TOYOTA DECISION ON VENTURE PENDING

OW280645 Taipei CNA in English 0236 GMT 28 Aug 84

[Text] Taipei, Aug. 27 (CNA) -- Director Hsu Kuo-an of the Industrial Development Bureau said Monday Toyota Motor Corp. of Japan has not made its final decision as to whether to pull out from the proposed car-making venture with the Republic of China.

Hsu said his bureau, which had earlier been authorized by the Ministry of Economic Affairs to represent this country in the negotiations over the joint venture, had notified Toyota to make the earliest possible reply. Toyota does not have to wait needlessly until its Sept. 4 deadline, and the ROC side could use the time well to make other proposals for government reference, Hsu noted.

Meanwhile, local car makers and the Industrial Development Bureau agreed Monday that President Chiang Ching-kuo's four-point directive in 1980 regarding the setting up of an international car-making joint venture should be taken as the highest policy goal in this matter.

In 1980, President Chiang said the following four principles should be considered in negotiations over such a project:

- The product should be of low price and good quality;
- Production targets should be in line with this country's economic power;
- The transfer of technologies must be materialized; and
- Both Chinese and foreign investors should benefit equally.

In a press conference Monday, both officials and manufacturers suggested that the Ministry of Economic Affairs should map out measures for the implementation of such a project according to the above presidential directive.

#### ECONOMIC GROWTH IN 1984 EXCEEDS PROJECTIONS

OW271247 Taipei CNA in English 1008 GMT 27 Aug 84

[Text] Taipei, Aug. 27 (CNA) -- The economic growth may have reached 12 percent in the first half of 1984, the directorate general of budget, accounting and statistics reported. It was a little higher than the projected 11.55 percent.

Basing on still incomplete data, the directorate said the first quarter showed a growth of 12.3 percent, and the second quarter, 12 percent (the projection was 10.8 percent). Accordingly it raised the forecast for the first six months from the earlier 11.55 percent to 12 percent.

DENG PUFANG'S HONG KONG VISIT CAUSES SPECULATION

HK290754 Hong Kong SOUTH CHINA MORNING POST in English 29 Aug 84 p 1

[By Terry Cheng]

[Text] Mr Deng Pufang, the crippled son of Chinese leader Mr Deng Xiaoping, arrived here yesterday amid speculation that he has a mission to report back to Peking on Hong Kong. His 19-day visit starts just weeks before the initialling of the draft 1997 agreement, planned for the end of next month.

But Dr Harry Fang, chairman of the Hong Kong Joint Council for the Physically and Mentally Disabled and a host of Mr Deng, said the timing was just a coincidence. Dr Fang, who is a Legislative Councillor, also said Mr Deng's meeting with the Governor tomorrow would be a courtesy call and the Hong Kong issue would not be discussed.

However, when asked by reporters, Mr Deng said he had not yet decided what he would talk to Sir Edward about.

Mr Deng told a large group of reporters covering his arrival: "On behalf of my colleagues and the 20 million crippled people in China, I send my sincere regards to the sisters, brothers and the folks who have contributed to the prosperity of Hong Kong." He said he was glad to be here and hoped the visit would increase the understanding of the Hong Kong council for the disabled about new developments in China.

Mr Deng is heading an eight-member delegation from the China Welfare Fund for the Handicapped, which is to visit a fundraising art exhibition organized by China Resources. Mr Deng is deputy director-in-chief of the fund.

Among those at the airport to meet his delegation were a vice-director of the local branch of the NEW CHINA NEWS AGENCY, Mr Li Chuwen, and the deputy chairman of China Resources, Mr Zhang Jianhua. Security at the airport was tight and reporters were searched.

There is clear resemblance between Mr Deng Pufang and his 80-year-old father.

In Hong Kong Mr Deng will open an exhibition of 150 paintings by Chinese artists to raise money for the fund, which seeks to aid China's 20 million handicapped people. He will also meet various high-ranking officials, inspect housing, one of the racecourses and film studios and familiarise himself with Hong Kong life.

Given Mr Deng's kinship to China's top leader, every effort is being taken to make his visit a success. The junior Mr Deng, aged 40, has been unable to walk since 1967. During the Cultural Revolution, Red Guard fanatics forced him out of a fourth-floor window at Peking University, where he was studying physics. His spine was broken.

In March the junior Mr Deng dismissed reporters' questions about the Cultural revolution, saying only: "The people of China suffered during the Cultural Revolution. . . . I was one of them."

His younger sister Mao Mao shed more light on his ordeal last week in a newspaper account of her family's life from 1968 to 1972, after the late Chairman Mao had banished Mr Deng Xiaoping for "taking the capitalist road" and opposing leftist policies.

Some observers felt Peking was using the experiences of Mr Deng's family in the Cultural Revolution to drive home the message that leftist policies would never be repeated.

OFFICIAL OUTLINES ECONOMIC MEASURES FOR YUNNAN

HK281431 Hong Kong WEN WEI PO in Chinese 21 Aug 84 p 3

["Special Feature" article by Yunnan Vice Governor Zhu Kui: "Yunnan Will Build Eight Large Production Bases"]

[Text] Yunnan is a multinational plateau province that lies on China's southwestern border. It is a piece of treasured land richly endowed by nature. It has a population of more than 33 million, among which 10.8 million (about one-third of its total population) come from 24 minority nationalities. It has an area of 394,000 square km with multifarious and complicated topography. The mountainous region makes up 94 percent of the total area. Yunnan has frigid, temperate, and tropical types of climate and extraordinarily rich natural and subterranean resources. It possesses tremendous natural resources to be exploited and thus enjoys a bright prospect of developing its economic construction in China's socialist modernization drive.

#### Rich and Varied Natural Resources

Yunnan's superiority in natural resources can be roughly categorized into four major favorable conditions. Yunnan's varied topography and climate are favorable for many living things to breed and grow. It ranks first in the whole country for having the greatest variety of plants and animals. It has long been regarded as the "kingdom of animals" and "kingdom of plants." Its farm, sideline, special, and local products such as flue-cured tobacco, cane sugar, tea, rubber, medicinal materials, spices, livestock products, fruits, etc enjoy a high standing throughout the country. Most of its products are exported and have gained a good international reputation. With such remarkable natural resources, Yunnan possesses favorable conditions for developing food industry and light industry taking tobacco, sugar, and tea as its key products. Yunnan's superiority in natural resources has been partly transformed to economic and production superiority. The production of tobacco, sugar, and tea makes up more than half its total revenue.

Yunnan is one of the four largest forest regions in the country. At present, it has more than 140 million mu of forest land and it has stored up 1.3 billion cubic meters of timber. It also has nearly 200 million mu of uninhabited mountainous area and meadow suitable for timbering and livestock breeding. Presently, Yunnan's number of livestock raised is one of the highest in the country. Exploiting and utilizing forest resources and using spacious ranches to develop livestock breeding is another potentially favorable condition for developing Yunnan's economy. Although the aforementioned resources have been exploited, the emphasis has been placed only on the production of log and raw materials for animal products which is marked by huge freight volume, low output value, and poor economic results. In future, the resources should be further exploited and importance should be attached to comprehensive utilization and intensive processing.

Yunnan has rich subterranean resources. More than 130 types of mineral resources have been exploited. It has all kinds of nonferrous metal resources with rich reserves. It has one of the richest reserves in lead, zinc, aluminium, copper, and nickel of any province in the nation. Zhenxi's (west Yunnan's) nonferrous metal reserves are the greatest in the nation. It has one of the world's biggest lead and zinc mines and is thus regarded as the "kingdom of nonferrous metal." The exploitation of nonferrous metal is still on the way and has just begun to take shape. Its annual output is over 100,000 tons and it is one of the major production bases in the country. Its proven reserves in phosphorus are 1.9 billion tons and its prospective reserves are 20 billion tons. It has the following distinguishing features: Rich reserves, high quality; most of the mines require only opencut mining and are located around Kunming, and transportation is easy.

The exploitation of phosphorus has begun and its annual output makes up one-third of the country's total output. It has 16.7 billion tons of verified coal reserves, among which 12.8 billion tons are brown coal formed in the Tertiary Period, the largest amount throughout the country. However, only very little has been mined. Yunnan also has rich rock salt and nonmetal mineral resources. Yunnan thus possesses the superiority in developing heavy industry which takes nonferrous metal and phosphorus as its backbone. At present, the level of exploitation is still low and it mainly produces primary products. It has therefore great potentials to be further tapped.

Energy is indispensable in building a modernized economy. Yunnan has crisscrossing rivers with an ample supply of water. The reserves in hydroelectric resources is about 104 million kilowatts, which ranks third in the country and among which more than 77 million kilowatts can be exploited and utilized. It also possesses the following distinguishing features: big water head, small submerged area of hydroelectric power station, small investment with great results. The aforementioned rich coal reserves are also an important source of energy. To give full play to the superiority in hydroelectric power and coal will surely provide a sufficient and reliable dynamic guarantee to Yunnan's economic construction.

Furthermore, with a wonderful climate, picturesque scenery, dense forests, exuberant flowers, and beautiful landscape, Yunnan's tourism can be further developed.

#### **Yunnan's Bright Prospects for Economic Development**

After 30-odd years of construction, Yunnan has undergone an unprecedented development since the founding of the Republic. Yunnan's total agricultural and industrial output in 1983 has grown 7.4 times as compared with that of 1949. Guided by the policy of opening the state to foreign countries and improving the domestic economy, Yunnan's economic construction has marched a further step toward the goal of healthy development during the past few years. Presently, Yunnan's agricultural economy is in good shape. Its goods production is developing rapidly. Its industrial production has begun to take shape. It has acquired a material foundation for speeding up exploitation and utilization.

In order to achieve the ultimate target of China's socialist modernization drive, speed up Yunnan's exploitation and construction, improve the economy, and to wipe out poverty and become rich, Yunnan will proceed from the fact that it is a multinational, mountainous border state and adopt more flexible policies, give full play to its favorable conditions, stress its strong points and abandon its weaknesses, and count on the joint efforts of the various nationalities. Yunnan will strive to speed up the development of economic construction in a bid to enhance its economic results. It is necessary for Yunnan to make use of its favorable resources to greatly develop domestic and international economic links and to gradually establish an open and aggressive economy having a strong foothold in the province and aiming at the state and the world. Yunnan should adopt strong measures to gradually establish the following eight production bases to enrich the people and make contribution to the fatherland:

-- Set up a base for food industry with tobacco, sugar, tea, and famous local products as its distinguishing features. The products can not only face domestic competition but gain a considerable foreign market.

-- Backed by the fact that the exploitation of nonferrous metals has begun to take shape, set up a base for nonferrous metals by paying attention to the exploitation of nonferrous metal mines in Zhennan (south Yunnan) and Zhenxi (west Yunnan).

-- Set up a base for forestry by attaching importance to the exploitation of Jinshajiang and Simao forest region and establish comprehensive utilization and processing.

-- Make use of the evergreen ranges in the vast mountainous areas to set up a base for livestock breeding.

-- Develop the exploitation of phosphorus, coal, and salt mines and comprehensive utilization and set up a base for chemical industry.

-- Make use of the favorable climatic conditions of the tropical and subtropical areas in the south to set up a base for producing tropical and subtropical economic producers giving first place to the production of rubber.

-- Exploit the coal mines in Zhennan (south Yunnan), Zhenzhong (central Yunnan) and Zhendongbei (northeast Yunnan) and set up a base for coal mining.

-- Make use of the water power of its rivers and set up an energy base.

In order to promote the construction of these bases, Yunnan has to rely on its policies and science and greatly develop intellectual exploration, improve its transportation, step up domestic and foreign economic and technological exchange, continuously transform Yunnan's superiority in natural resources to practical economic and production superiority in a bid to add new flavor to its economy.

#### Resolutely Implement the Policy of Opening Yunnan to the Foreign World

To resolutely implement the policy of opening China to the foreign world and to earnestly expand foreign economic relations is one of the major ways to boost Yunnan's economy. As it lies on China's border and its transportation is inconvenient, Yunnan has a relatively poor economic background, without sufficient technology, talented personnel, and capital for construction. In order to speed up its exploitation and construction, Yunnan has to adopt measures more favorable than those of coastal and inland provinces to attract foreign traders, compatriots in Macau, Hong Kong, and Taiwan, and Overseas Chinese to develop multifarious, multi-tiered, and multi-channeled cooperation, to introduce capital, technology, and talented personnel, to expand trade, to develop labor services exports, and to open up a new prospect for foreign economic and trade development.

At present the focal points of Yunnan's incorporation of foreign investment and introduction of technology are as follows: exploitation and utilization of energy; improvement of transportation, especially the construction of roads; exploitation, processing, and comprehensive utilization of nonferrous metal, phosphorus, forests, and spices; advanced production techniques and methods of management of farming and livestock breeding; processing of farm and sideline products and construction of the packing industry; improvement of facilities in tourism; technical reform in mechanical, electronics, light, medicine, and construction industries. In order to improve the investment conditions and to introduce foreign capital and technology, priority should be given to the construction of transport facilities.

Having taken into account its geographical and transportation factors, Yunnan has decided to give foreign partners more preferential treatment in connection with foreign economic and technical cooperation:

-- On the basis of equality and mutual benefit, cooperation can be actualized through mutually agreed ways such as joint investment, joint venture, compensation trade, exchange of commodities, processing, and renting and leasing. Investors who truly possess expertise in exploiting natural resources or developing new products and whose products are mainly for export can run enterprises solely financed by themselves.

-- Simplify the procedure for examination and approval. For joint investment and joint venture whose foreign investment does not exceed \$3 million and for compensation trade, processing, leasing and renting, and imported technical items which are worth less than \$1 million, the contracts concerned will normally be examined and approved by the Yunnan People's Government within a month after they are signed by both parties. Contracts in connection with projects exceeding the aforementioned values will be submitted to the state for examination and approval. We will abide by the terms in the contract once it is approved. We will be as good as our word and we will act earnestly.

-- Preferential treatment will be given in respect to domestic resources, manpower, labor and service, public utilities, transport, and exchanging foreign capital into RMB [renminbi] capital as required by all cooperative items. We will be responsible for providing raw materials, labor, and sites to enterprises financed solely by foreign investors. Only taxes will be imposed on such enterprises and no profits will be taken. In respect to joint enterprises, bearing in mind the principle of joint investment, joint management, joint responsibility for profit and loss, and joint venture, dividends are distributed according to the number of shares held. Regarding projects which involve advanced technology or which have low profit rates, we may consider to extend the period of joint venture or to increase foreign investors' share of profits.

-- Safeguard the autonomy enjoyed by joint enterprises or enterprises solely financed by foreign investors according to the laws and orders promulgated by the Chinese Government. Employees can be employed or discharged in accordance with the terms laid down in the contracts concerned. Any wage system or any system of rewards and penalties suitable for the trade can be adopted.

-- In respect to cooperative items requiring land use and the collection of charges on land used, conditions more preferential than those in coastal and inland provinces will be provided. Regarding taxes, the tax reduction period will be appropriately extended for projects requiring a long construction period and with greater investment but a low profit rate after the tax reduction and exemption period as stipulated in the Income Tax Law of the PRC Concerning Joint Ventures with Chinese and Foreign Investment expires. More preferential treatment will be given to Overseas Chinese investment.

-- Export of products produced by cooperative projects will be encouraged. If export is really found to be difficult, part of the products can be put on sale in the domestic market. Foreign investors' profits will be paid in foreign exchange by debiting Yunnan's foreign exchange account.

-- We will be responsible for providing favorable working and living conditions to foreign staff working in Yunnan. Outstanding contributors will be given exceptionally preferential treatment. Appropriate rewards will be given to those who have made contributions to the development of Yunnan's foreign economic activities and trade.

Yunnan's economic construction is springing up vigorously. We have a spacious domain in which we can cooperate with foreign investors. We sincerely welcome foreign friends, and compatriots in Macao, Hong Kong, and Taiwan to come to Yunnan and set up a friendly and cooperative relationship. We believe that through concerted effort, our cooperation will bear good fruit.

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